United Nations

CREATIVE ECONOMY

Report 2008

The Challenge of Assessing the Creative Economy:
towards Informed Policy-making

UNDP

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UNCTAD

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This Report is the fruit of a collaborative effort that was led by UNCTAD and the UNDP Special Unit for South-South Cooperation and that included a team of experts from the collaborating UN agencies – UNCTAD, UNDP, UNESCO, WIPO and ITC – as well as international consultants.

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The English version of the full report and the French and Spanish versions of its overview section are currently available on the Internet at the addresses indicated below: http://www.unctad.org/creative-economy and http://ssc.undp.org/creative_economy

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Foreword

The world economy has clearly seen an extraordinary expansion in the past five years. This expansion has been more broadly based than ever before, allowing many developing countries to benefit from it. Even some of the least developed countries have been able to generate average annual GDP growth of more than 5 per cent, representing significant progress over that made in the 1990s. Nevertheless, this path of economic growth has not yet been sufficient to ensure the welfare and decent living standards for the large majority of people in the developing world. Despite efforts to diversify their economies, 86 of 144 developing countries still depend on commodities for more than half their export earnings. Prevailing development strategies have yet to succeed in generating expected levels of socio-economic development for these countries. The challenge is to find feasible development options that take into account their specific realities and in particular their scarcity of skilled labour, lack of basic infrastructure and very low levels of foreign direct investment. How to promote development that is both sustainable and inclusive?

As economic models do not function in isolation, the time has come to go beyond economics and look for a more holistic development approach that considers their different cultural identities, economic aspirations, social disparities and technological disadvantages. Development strategies also must be updated in order to cope with the far-reaching cultural and technological shifts under way in our society. The world needs to adapt to this new environment by bringing issues relating to culture and technology into the mainstream of economic development thinking. Achieving the Millennium Development Goals calls for dealing with cross-cutting development issues by introducing concerted multidisciplinary policies and reinforcing policy coherence at the national and international levels.

Globalization and connectivity are new realities that have brought profound changes in lifestyles worldwide. This is reshaping the overall pattern of cultural production, consumption and trade in a world increasingly filled with images, sounds, texts and symbols. There is a clear need to better grasp the complex interactions among the economic, cultural, technological and social aspects guiding the dynamics of the world economy and the way people live in the twenty-first century. In this era of transformation, creativity and knowledge are fast becoming powerful means of fostering development gains.

In this context, the interface among creativity, culture, economics and technology, as expressed in the ability to create and circulate intellectual capital, has the potential to generate income, jobs and export earnings while at the same time promoting social inclusion, cultural diversity and human development. This is what the emerging creative economy has already begun to do as a leading component of economic growth, employment, trade, innovation and social cohesion in most advanced economies. The creative economy also seems to be a feasible option for developing countries. If effective public policies are in place, the creative economy generates cross-cutting linkages with the overall economy at macro and micro levels. It thus fosters a development dimension, offering new opportunities for developing countries to leapfrog into emerging high-growth areas of the world economy.

This study is the first to present the perspectives of the United Nations on this exciting new topic. The creative economy is an evolving concept centred on the dynamics of the creative industries. There is no single definition of the creative economy nor is there a consensus as to the set of knowledge-based economic activities on which the creative industries are based. There is no one-size-fits-all recipe but rather, flexible

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

and strategic choices to be made by national governments in order to optimize the benefits of their creative economies for development.

At the heart of the creative economy lie the creative industries. Loosely defined, the creative industries are at the crossroads of the arts, culture, business and technology. In other words, they comprise the cycle of creation, production and distribution of goods and services that use intellectual capital as their primary input. Today's creative industries involve the interplay of traditional, technology-intensive and service-oriented subsectors. They range from folk art, festivals, music, books, paintings and performing arts to more technology-intensive subsectors such as the film industry, broadcasting, digital animation and video games, and more service-oriented fields such as architectural and advertising services. All these activities are intensive in creative skills and can generate income through trade and intellectual property rights.

This Report provides empirical evidence that the creative industries are among the most dynamic emerging sectors in world trade

This Report provides empirical evidence that the creative industries are among the most dynamic emerging sectors in world trade. Over the period 2000-2005, trade in creative goods and services increased at an unprecedented average annual rate of 8.7 per cent. World exports of creative products were valued at $424.4 billion in 2005 as compared to $227.5 billion in 1996, according to preliminary UNCTAD figures. Creative services in particular enjoyed rapid export growth – 8.8 per cent annually between 1996 and 2005. This positive trend occurred in all regions and groups of countries and is expected to continue into the next decade, assuming that the global demand for creative goods and services continues to rise.

The large majority of developing countries are not yet able to harness their creative capacities for development

It is clear that developed countries still dominate the global market for creative products. Nonetheless, many developing-country products are already benefiting from the creative industry boom, particularly in Asia. Unfortunately, however, the large majority of developing countries are not yet able to harness their creative capacities for development. In Africa, for instance, despite the abundance of creative talents, the creative potential remains highly underutilized. The continent's share in global trade of creative products remains marginal at less than 1 per cent of world exports despite sharp increases. As is the case for other developing regions, this is a reflection of both domestic policy weaknesses and global systemic biases.

The policy-oriented analysis presented in this Report represents an initial contribution to developing a better understanding of the key issues underlying the creative economy and its development dimension. The Report addresses the challenge of assessing the creative economy with a view to informed policy-making by outlining the conceptual, institutional and policy framework in which this economy is flourishing. Given the multifaceted nature of the creative economy, strategic choices for concerted interministerial policy action are crucial. The important implications of multilateral processes in shaping policies for the creative economy also warrant consideration.

This Report is an example of cooperation inside the United Nations system, comprising contributions from five international organizations: UNCTAD, UNDP via its Special Unit for South-South Cooperation, UNESCO, WIPO and ITC. It is a joint endeavour that builds on complementarities in order to enhance the effectiveness of international cooperation and policy coherence in this innovative field. The creative economy is producing new opportunities for both developed and developing countries, but the challenges ahead should not be underestimated.

Supachai Panitchpakdi
Secretary-General
United Nations Conference on Trade and Development

Kemal Dervis
Administrator
United Nations Development Programme

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The Report was prepared under the leadership of UNCTAD and is a pioneering example of multi-agency cooperation reflecting the work of the United Nations Multi-Agency Informal Group on Creative Industries in an effort to build upon complementarities and enhance policy coherence on matters relating to the creative industries and the creative economy. It is the first report to present the United Nations system-wide perspective on this innovative topic and it brings together contributions from five collaborating bodies: the United Nations Conference on Trade and Development (UNCTAD), the United Nations Development Programme (UNDP) Special Unit for South-South Cooperation, the United Nations Educational, Scientific and Cultural Organization (UNESCO), the World Intellectual Property Organization (WIPO) and the International Trade Centre (ITC).

The research and policy-oriented analysis were carried out under the overall guidance of Edna dos Santos-Duisenberg, the main co-writer of this Report. The Report greatly benefited from the invaluable academic insights from Dr. David Throsby from Macquarie University, Sidney, and Dr. Andrew Pratt from the London School of Economics, to whom the team expresses its deep gratitude. The Multi-Agency Group acknowledges and thanks the contribution of the following team of international consultants who provided inputs for various chapters: Avril Joffe, Pernille Askerud, Ana Carla Fonseca Reis, David Diaz-Benevides and Sylvia Amaya Londoño.

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Abbreviations and acronyms

ACP	African, Caribbean and Pacific
ANCOM	Andean Common Market
APEC	Asia-Pacific Economic Cooperation
APTA	Asia-Pacific Trade Agreement (former Bangkok Agreement)
ASEAN	Association of Southeast Asian Nations
BOP	Balance of payments
BSEC	Black Sea Economic Cooperation Organization
CACM	Central American Common Market
CAFTA	Central American-Dominican Republic Free Trade Agreement
CARICOM	Caribbean Community
CD	Compact disc
c.i.f.	Cost, insurance and freight
CIS	Commonwealth of Independent States
COMESA	Common Market for Eastern and Southern Africa (formerly PTA)
COMTRADE	Commodity Trade Statistics Database
CSA	Cultural Satellite Account
DAC	Development Assistance Committee (of OECD)
DCMS	Department of Culture, Media and Sport
DVD	Digital versatile disc (formerly digital videodisc)
EBOPS	Extended Balance of Payments Services Classification
ECCAS	Economic Community of Central African States
ECE	Economic Commission for Europe
ECO	Economic Cooperation Organization
ECOWAS	Economic Community of West African States
EFTA	European Free Trade Association
ESCAP	Economic and Social Commission for Asia and the Pacific
ESCWA	Economic and Social Commission for Western Asia
EUROSTAT	Statistical Office of the European Communities
excl.	Excluding
FAO	Food and Agriculture Organization of the United Nations
FDI	Foreign direct investment
f.o.b.	Free on board
FOSS	Free and open-source software
FTA	Free trade area
FTAA	Free Trade Area of the Americas
G-77	Group of 77
GATS	General Agreement on Trade in Services
GATT	General Agreement on Tariffs and Trade

GCC	Gulf Cooperation Council
GDP	Gross domestic product
GNP	Gross national product
GVA	Gross value added
HIPCs	Heavily indebted poor countries
IFPI	International Federation of the Phonographic Industry
ILO	International Labour Organization
IMF	International Monetary Fund
IOM	International Organization for Migration
IPR	Intellectual property right
ITC	International Trade Centre
ITU	International Telecommunication Union
LAIA	Latin American Integration Association
LDC	Least developed country
MDG	Millennium Development Goal
MERCOSUR	Common Market of the South
MFN	Most-favoured nation
MSITS	*Manual on Statistics of International Trade in Services*
NAFTA	North American Free Trade Agreement
n.e.s.	Not elsewhere specified
NGO	Non-governmental organization
n.i.e.	Not included elsewhere
NPISHs	Non-profit institutions serving households
ODA	Official development assistance
OECD	Organisation for Economic Co-operation and Development
OECS	Organisation of Eastern Caribbean States
PRSP	Poverty Reduction Strategy Paper
R&D	Research and development
RMB	Renminbi
RTA	Regional trade agreement
SAARC	South Asian Association for Regional Cooperation
SADC	Southern African Development Community
SAM	Social accounting matrix
SAR	Special Administrative Region
SIDS	Small island developing State
SITC	Standard Industrial Trade Classification
SMEs	Small and medium-sized enterprises
SNA	System of National Accounts
TFYR	The former Yugoslav Republic of Macedonia
TNC	Transnational corporation
TRIPS	Trade-Related Aspects of Intellectual Property Rights
UEMOA	West African Economic and Monetary Union
UIS	UNESCO Institute for Statistics
UMA	Arab Maghreb Union
UN/DESA/SD	United Nations Department of Economic and Social Affairs, Statistics Division
UNAIDS	Joint United Nations Programme on HIV/AIDS

UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNWTO	United Nations World Tourism Organization
USSR	Union of Soviet Socialist Republics
VCR	Video cassette recorder
WFP	World Food Programme
WHO	World Health Organization
WIPO	World Intellectual Property Organization
WMO	World Meteorological Organization
WSIS	World Summit on the Information Society
WTO	World Trade Organization

PART

1

The Creative Economy

Overview

The *Creative Economy Report 2008* is the first study to present the United Nations perspective on this emerging topic. It is an initiative of the partnership between UNCTAD and the UNDP Special Unit for South-South Cooperation. Furthermore, it is a pioneer example of the work being undertaken by the Multi-Agency Informal Dialogue Group on Creative Industries.[1] It brings together contributions from five relevant United Nations bodies: UNCTAD, UNDP, UNESCO, WIPO and ITC. This collective effort not only contributes to building synergy and exploring complementarities but also is an effective way to advance policy coherence and enhance the impact of international actions in the area of the creative economy and creative industries.

Creativity, knowledge and access to information are recognized as powerful drivers of development

Creativity, culture and economic development

In the contemporary world, a new development paradigm is emerging that links the economy and culture, embracing economic, cultural, technological and social aspects of development at both the macro and micro levels. Central to the new paradigm is the fact that creativity, knowledge and access to information are increasingly recognized as powerful engines driving economic growth and promoting development in a globalizing world. "Creativity" in this context refers to the formulation of new ideas and to the application of these ideas to produce original works of art and cultural products, functional creations, scientific inventions and technological innovations. There is thus an economic aspect to creativity, observable in the way it contributes to entrepreneurship, fosters innovation, enhances productivity and promotes economic growth.

Creativity is found in all societies and countries – rich or poor, large or small, advanced or developing. The word "creativity" is associated with originality, imagination, inspiration, ingenuity and inventiveness. It is an inner characteristic of individuals to be imaginative and express ideas; associated with knowledge, these ideas are the essence of intellectual capital. Similarly, every society has its stock of intangible cultural capital articulated by people's identity and values. Civilizations since time immemorial have been aware of these concepts. However, the twenty-first century has seen a growing understanding of the interface between creativity, culture and economics, the rationale behind the emerging concept of the "creative economy".

The concept of the "creative economy" is an evolving one that is gaining ground in

[1] This Group was set up by the Secretary-General of the United Nations Conference on Trade and Development (UNCTAD) in 2004 in the context of preparations for the High-level Panel on Creative Industries and Development, held during the UNCTAD XI Ministerial Conference. UNCTAD, as chair of the Group, convenes two meetings a year in Geneva. The work of the Group has been revitalized with a view to promoting concerted international actions and joint initiatives by the United Nations family so as to enhance the contribution of the creative economy to development.

The creative economy calls for informed policy responses

contemporary thinking about economic development. It entails a shift from the conventional models towards a multidisciplinary model dealing with the interface between economics, culture and technology and centred on the predominance of services and creative content. Given its multidisciplinary structure, the creative economy offers a feasible option as part of a results-oriented development strategy for developing countries. It calls for the adoption of effective cross-cutting mechanisms and innovative interministerial policy action.[2]

For some people, the "creative economy" is a holistic concept dealing with complex interactions between culture, economics and technology in the contemporary globalized world that is dominated by symbols, texts, sounds and images. Others are more sceptical about this fashionable label, voicing concerns about its overstated importance and the way it may exacerbate cultural and technological divisions. Against this background, the creative economy has become a topical issue of the international economic and development agenda, calling for informed policy responses in both developed and developing countries.

The creative industries are at the heart of the creative economy

There is no unique definition of the "creative economy". It is a subjective concept that is still being shaped. There is, however, growing convergence on a core group of activities and their interactions both in individual countries and at the international level.

The present Report adopts the UNCTAD definition of the "creative economy", which can be summarized as follows:

- The creative economy is an evolving concept based on creative assets potentially generating economic growth and development;
- It can foster income generation, job creation and export earnings while promoting social inclusion, cultural diversity and human development;
- It embraces economic, cultural and social aspects interacting with technology, intellectual property and tourism objectives;
- It is a set of knowledge-based economic activities with a development dimension and cross-cutting linkages at macro and micro levels to the overall economy;
- It is a feasible development option calling for innovative multidisciplinary policy responses and interministerial action;
- At the heart of the creative economy are the creative industries.[3]

"Creative industries" can be defined as the cycles of creation, production and distribution of goods and services that use creativity and intellectual capital as primary inputs. They comprise a set of knowledge-based activities that produce tangible goods and intangible intellectual or artistic services with creative content, economic value and market objectives.[4] Creative industries constitute a vast and heterogeneous field dealing with the interplay of various creative activities ranging from traditional arts and crafts, publishing, music, and visual and performing arts to more technology-intensive and services-oriented groups of activities such as film, television and radio broadcasting, new media and design. The creative sector has a flexible and modular market structure that ranges from independent artists and small-business enterprises at one extreme to some of the world's largest conglomerates at the other.

Today, creative industries are among the most dynamic sectors in world trade. Over the period 2000-2005, international trade in creative goods and services experienced an unprecedented average annual growth rate of 8.7 per cent. The value of world exports of

[2] UNCTAD Statement at the Second Meeting of the Ministers of Culture of the African, Caribbean and Pacific (ACP) Group of States, Santo Domingo, Dominican Republic, October 2006.
[3] Definition by the UNCTAD Creative Economy and Industries Programme, 2005.
[4] UNCTAD definition further elaborated in chapter 1.

creative goods and services reached $424.4 billion in 2005, representing 3.4 per cent of total world trade, according to UNCTAD. Nowadays in the most advanced countries, the creative industries are emerging as a strategic choice for reinvigorating economic growth, employment and social cohesion. The so-called "creative cities" are proliferating in Europe and North America, revitalizing the economy of urban centres through cultural and social developments offering attractive jobs, particularly to young people. The turnover of the European creative industries amounted to 654 billion euros in 2003, growing 12.3 per cent faster than the overall economy of the European Union and employing over 5.6 million people.[5]

A significant finding of the present study is the evidence that some developing countries, mainly in Asia, have started benefiting from the dynamism of the global creative economy and are putting in place tailored cross-cutting policies to enhance their creative industries. China, which is leading this process, became the world's leading producer and exporter of value-added creative products in 2005. Nevertheless, the large majority of developing countries are not yet able to harness their creative capacities for development gains. The obstacles preventing these developing countries from enhancing their creative economies are a combination of domestic policy weaknesses and global systemic biases, issues addressed in the analysis of this Report.

Another important conclusion of this study is that developing-country exports of related creative goods (including computers, cameras, television sets, and broadcasting and audiovisual equipment) increased rapidly over the period 1996-2005 from $51 billion to $274 billion.[6] This spectacular growth is indicative of the catching-up strategies being pursued in a number of developing countries to increase their capacities to supply value-added products to global markets. It also reaffirms the continually expanding demand for creative products that rely on these related industries for their distribution and consumption. This ever-increasing demand is further confirmation of the potential of the creative economy to contribute to economic growth.

The creative industries account for 3.4 per cent of total world trade, with exports reaching $424.4 billion in 2005 and an average annual growth rate of 8.7 per cent during 2000-2005

The large majority of developing countries are not yet able to harness their creative capacities

The development dimension

The development dimension of the creative economy is the guiding principle of this Report. Developing countries can further integrate into the global economy by nurturing their creative capacities and enhancing the competitiveness of their creative goods and services in world markets, provided that appropriate public policies are in place at the national level and market imbalances can be redressed at the international level. In this respect, support for domestic creative industries should be seen as an integral part of the promotion and protection of cultural diversity. Moreover, such diversity, because it is a global public good, needs to be fully supported by the international community.[7]

With the increasing knowledge intensity of the contemporary economy and the need for innovation to maintain competitive advantage, it has become imperative for countries to tap into their vast reserves of creativity. This has been made easier by rapid advances in information and communication technologies (ICTs), which are progressively linking countries and regions worldwide. Opportunities are thus created for developing countries to

[5] See *Economy of Culture in Europe*, study prepared for the European Commission by KEA, European Affairs, Brussels, 2006.
[6] See also chapter 5.
[7] See *Summary of High-level Panel on Creative Industries* (document TD/L.379, 16 June 2004).

Africa's share in global trade of creative products remains marginal at less than 1 per cent of world exports

access global markets for the products of their creativity and cultural diversity in a way not previously possible – and to do so directly, without intermediaries. Nonetheless, the challenges are immense and should not be underestimated.

Despite the richness of their cultural diversity and the abundance of creative talent, the great majority of developing countries are not yet fully benefiting from the enormous potential of their creative economies to improve development gains.[8] These countries have been facing domestic and international obstacles that need to be fully understood and overcome through cross-cutting institutional mechanisms and multidisciplinary policies. In this scenario, development strategies must be updated to cope with the far-reaching cultural, economic and technological shifts that are reshaping society.

There is, for example, widespread recognition of the significance of tourism for development.[9] In the present Report, a preliminary attempt is made to investigate the link between tourism and the creative industries, addressing the question as to whether the demand for creative goods and services by tourists supports the development of the creative economy. From the perspective of the creative economy elaborated in this Report, measures need to be taken to ensure that creative workers can reap the benefits from the increasing demand by tourists for creative products.

The achievement of the MDGs demands a holistic and multisectoral approach that includes cultural and social frameworks

The role of culture in development has been analysed in the *Human Development Report 2004* published for UNDP.[10] The present Report aims to build on the normative debate about culture and development by adding the economic dimension of the creative economy to the consideration of the development process. In so doing, it raises the question of the precise relationship between human expression and social and economic instrumentalism. The Report raises this issue as an essential matter that must be taken into account in policy-making.

Overall, this study is a first attempt to present a broader perspective on the potential of the creative economy to assist developing countries to leapfrog into new high-growth creative sectors. Development strategies aimed in this direction are consistent with the achievement of the Millennium Development Goals (MDGs). As is well known, these goals represent the commitment of the international community to engage in the global development agenda in the coming years. There are eight goals with specific time-bound targets to be reached by 2015, the first and most important of which aims at the eradication of extreme poverty and hunger. The MDGs address development challenges not as a separate but as an inherent part of the global economy and societies. The full realization of these goals necessitates innovative and cross-sectoral approaches to development and the serious consideration of issues such as culture, environment and social development. The achievement of the MDGs demands a holistic and multisectoral approach that goes beyond economics and includes cultural and social frameworks; the creative economy reflects such an approach.

[8] Statement of the Secretary-General of UNCTAD at the World Knowledge Forum, Seoul, Republic of Korea, October 2006.

[9] Tourism, Culture and Sustainable Development (United Nations Educational, Scientific and Cultural Organization (UNESCO), 2006); *World Tourism Barometer* (United Nations World Tourism Organization (UNWTO), 2007); and Outcome of Pre-UNCTAD XI High-Level International Meeting of Experts on Sustainable Tourism for Development (UNCTAD document TD(XI)/PC/6, 18 March 2004).

[10] *Human Development Report 2004: Cultural Liberty in Today's Diverse World*, published for the United Nations Development Programme (UNDP) and for which Professor Amartya Sen developed the conceptual framework.

Scope of this Report

The main purpose of this Report is to provide the conceptual and policy framework for understanding the creative economy, with a view to identifying analytical tools conducive to informed policy-making. The Report introduces the concept of the "creative economy", reviews definitions, recognizes characteristics and identifies parameters to assist in measuring the impact of the creative economy at the national and international levels. The objective is to propose a shared vision and a policy-oriented research agenda that reflects current economic thinking and enables comparative analysis as the basis for national and international policy formulation.

The Report takes stock of ongoing research being carried out in different parts of the world for mapping the overall impact of the creative economy at the national and international levels. Rather than prescribing a single model for mapping the creative economy in developing countries, it sheds light on possible alternatives, pointing, however, to the limitations of certain methodologies and current gaps in statistics and quantitative analytical tools. Nevertheless, it suggests some elements to facilitate comparability across creative industries within and among countries. The purpose is to present a comprehensive analysis and pave the way for the introduction of parameters for assessing national creative economies worldwide, emphasizing the importance of international trade in the development process.

Despite the limitations of economic and social indicators, this Report takes the first step in using available official data to trace the global and regional trade flows of creative products and services for the period 1996-2005, examining the main trends and identifying the key players in major markets. It presents an analysis of the value chain and the market structure of creative industries, concluding that the oligopolistic nature of marketing and distribution inhibits the competitiveness of creative goods and services from developing countries in the global trading system. It draws attention to the difficulties in quantifying intangible values and the constraints to capturing the real impact of international trade in creative goods and services in the world economy. This Report emphasizes the need to improve market transparency, particularly in the most technology-intensive and services-oriented sectors such as audiovisuals and new media. It also examines the scope for reinforcing South-South as well as North-South trade and cooperation.

This Report recognizes the growing role of intellectual property rights (IPRs) as a tool with which to generate earnings from creative industries. The need to improve awareness and to reinforce the effectiveness of intellectual property regimes is highlighted. Nevertheless, the Report also recognizes the asymmetries existing in the current regime and stresses the need to review the enforcement of some policy instruments with a view to ensuring that the interests of developing countries are properly taken into account. Issues relating to traditional knowledge, cultural expressions and public domain are also discussed in the light of progress made in the work of the World Intellectual Property Organization (WIPO).

The Report also presents an analysis of the phenomenon of connectivity and its influence on world patterns of production, consumption and trade in tangible and intangible creative products. The importance of ICT tools and the new business models with new forms of marketing and distribution of creative content in the digital era are discussed. Technology plays a key role in the creative economy not only as the essence of creative sectors such as audiovisuals and new media but also as the means by which to

Rather than prescribing a single model for mapping the creative economy, this Report analyses alternatives and suggests an extensible model based on trade flows

Intellectual property rights are increasingly more important as a tool for capitalizing on the creative industries

Technology plays a key role in the creative economy for content production and distribution

access and circulate digitized content in today's interactive multimedia environment.

The importance of international policies and global processes in shaping the emerging creative economy is also examined. This Report addresses the issue of the relevance of multilateral processes such as the Development Agendas of WIPO and the World Trade Organization (WTO) as well as the entering into force of the UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions and their implications for the creative industries and the creative economy. Attention is also given to greater mobilization of developing countries by the Member States of the Group of 77 (G-77)[11] in order to promote the creative economy as a tool for development and by the inter-agency cooperation promoted by UNDP through its Special Unit for South-South Cooperation.[12] This Report presents an overview of the most influential intergovernmental decisions of relevance to the creative economy. The purpose is to explore the policy framework surrounding the creative economy, with a view to identifying policy options to strengthen and integrate local creative industries into national and international development strategies and global markets.

Countries are encouraged to make some strategic choices to strengthen their creative economies

Given the multiplicity of approaches, the conclusion is reached that at this stage, there is no consensual model of the optimum package of policies towards the creative industries. Nevertheless, individual countries are encouraged to make some strategic choices of cross-cutting public policies in order to strengthen their creative economies. Due account should be taken of the specificities of their cultural identities and the competitive advantages of particular creative industries. Illustrative cases and successful practices being carried out in different countries are featured in the Report as evidence of the sorts of opportunities available in different parts of the world.

In summary, this Report aims to assist developing countries to harness their creative economies and to maximize development gains by recognizing the creative economy as a feasible option for linking economic, technological, social and cultural development objectives in a globalizing world. It does this by:

- discussing concepts, methods and the structure of the creative economy;
- sharing evidence-based analysis confirming that the creative industries constitute a new dynamic sector in international trade; and
- suggesting directions for policy strategies.

The Report recognizes that creativity and human talent, more than traditional production factors such as labour and capital, are fast becoming powerful engines of sustainable development. Developing countries around the world can find ways to optimize the potential of the creative economy for generating socio-economic growth, job creation and export earnings while at the same time promoting social inclusion, cultural diversity and human development.

[11] Message from the Chairman of the G-77 at the International Forum on the Creative Economy for Development held in Rio de Janeiro, Brazil, on 26 November 2006: http://www.g77.org/Speeches/112606.html

[12] Statements of the Administrator of UNDP and the Director-General of UNESCO at the 2005 United Nations Day for South-South Cooperation that focused on "Celebrating the Global South: Diversity and Creativity": http://tcdc.undp.org/UNDAY/unday2-admin-stmt.pdf and http://portal.unesco.org/culture/es/ev.php-URL_ID=29653&URL_DO=DO_TOPIC&URL_SECTION=201.html

CHAPTER 1

Concept and context of the creative economy

1.1 Evolving concepts and definitions

Fundamental to an understanding of the creative economy – what it comprises and how it functions in the economies of both developed and developing countries – are the evolving concepts of "cultural industries" and "creative industries". Much debate surrounds these terms. This chapter provides an overview of the development of the concepts of "creativity", "creative products", "cultural industries", "creative industries" and "creative economy" in an effort to reach not a final consensus but at least a shared vision as a basis for comparative analysis and informed policy-making. It also considers the emergence of the associated concepts of "creative class", "creative cities", "creative clusters" and "creative districts". The major drivers of the growth of the creative economy are discussed, and some evidence is presented as to the contribution of the creative industries to the economies of various advanced countries.

1.1.1 | Creativity

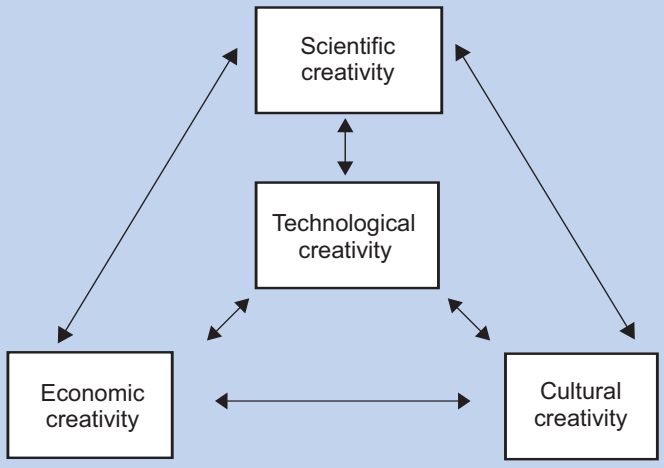
There is no simple definition of "creativity" that encompasses all the various dimensions of this phenomenon. Indeed, in the field of psychology, where individual creativity has been most widely studied, there is no agreement as to whether creativity is an attribute of people or a process by which original ideas are generated. Nevertheless, the characteristics of creativity in different areas of human endeavour can at least be articulated. For example, it can be suggested that:

- artistic creativity involves imagination and a capacity to generate original ideas and novel ways of interpreting the world, expressed in text, sound and image;
- scientific creativity involves curiosity and a willingness to experiment and make new connections in problem-solving; and
- economic creativity is a dynamic process leading towards innovation in technology, business practices, marketing, etc., and is closely linked to gaining competitive advantages in the economy.

All of the above involve technological creativity to a greater or lesser extent and are interrelated, as shown in figure 1.1. Regardless of the way in which creativity is interpreted, there is no doubt that, by definition, it is a key element in defining the scope of the creative industries and the creative economy.

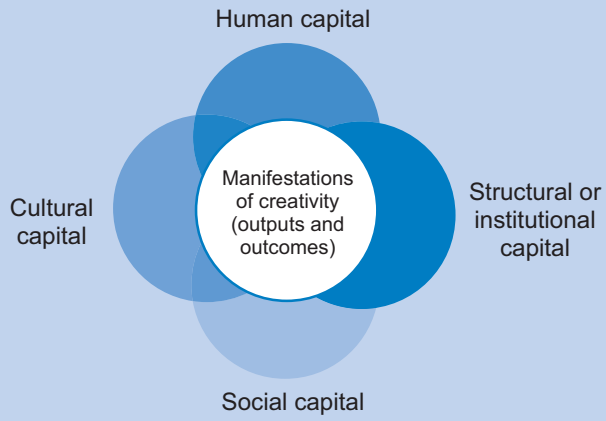
Another approach is to consider creativity as a measurable social process. From the economic point of view, however, a relationship between creativity and socio-economic development is not apparent, particularly the

Figure 1.1 Creativity in today's economy



Source: KEA European Affairs (2006:42).

Figure 1.2 **Interplay of the 5Cs: Outcomes of creativity + 4 capitals**



Source: A Study on Creativity Index, 2005.

extent to which creativity contributes to economic growth. In this case, it is important to measure not only economic outcomes of creativity but also the cycle of creative activity through the interplay of four forms of capital – social cultural, human, and structural or institutional – as the determinants of the growth of creativity – the creative capital. The accumulated effects of these determinants are the "outcomes of creativity". This is the framework of the creativity index, also known as the 5 Cs model.[1] "Creativity" can also be defined as the process by which ideas are generated, connected and transformed into things that are valued.[2] "Originality" means creating something from nothing or reworking something that already exists.

1.1.2 | Creative goods and services

The scope of the creative economy is determined by the extent of the creative industries. Defining "creative industries", however, is a matter of considerable inconsistency and disagreement in the academic literature and in policy-making circles, especially in relation to the parallel concept of "cultural industries". Sometimes a distinction is made between the creative and the cultural industries; sometimes the two terms are used interchangeably. A sensible way to proceed is to begin by defining the goods and services that these industries produce.

The concept of "cultural products" can be articulated if the notion of "culture" is accepted whether in its anthropological or its functional sense. It might be argued, for example, that cultural goods and services such as artwork, musical performances, literature, film and television programmes, and video games share the following characteristics:

- their production requires some input of human creativity;
- they are vehicles for symbolic messages to those who consume them, i.e., they are more than simply utilitarian insofar as they additionally serve some larger, communicative purpose; and
- they contain, at least potentially, some intellectual property that is attributable to the individual or group producing the good or service.

An alternative or additional definition of "cultural goods and services" derives from a consideration of the type of value that they embody or generate. That is, it can be suggested that these goods and services have cultural value in addition to whatever commercial value they may possess and that this cultural value may not be fully measurable in monetary terms. In other words, cultural activities of various sorts and the goods and services that they produce are valued – both by those who make them and by those who consume them – for social and cultural reasons that are likely to complement or transcend a purely economic valuation. These reasons might include aesthetic considerations or the contribution of the activities to community understanding of cultural identity. If such cultural value can be identified, it may serve as an observable characteristic by which to distinguish cultural goods and services as compared with different types of commodities.

Defined in either or both of these ways, "cultural goods and services" can be seen as a subset of a wider category of goods that can be called "creative goods and services". These are man-made products whose manufacture requires some reasonably significant level of creativity. Thus the category "creative goods" extends beyond cultural goods as defined above to include products such as fashion and software. These latter goods and services can be seen as essentially commercial products, but their production does involve some level of creativity.

This distinction between cultural and creative goods

[1] This model was developed by a research team of the Centre for Cultural Policy Research of the University of Hong Kong that was led by Prof. Desmond Hui. See *A Study on Creativity Index*, 2005. http://www.hab.gov.hk/en/publications_and_press_releases/reports.htm.
[2] See *Boston's Creative Economy*, BRA/Research, United States of America.

provides a basis for differentiating between cultural and creative industries, as is discussed in the following sections.

1.1.3 | Cultural industries

The term "culture industry" appeared in the post-war period as a radical critique of mass entertainment by members of the Frankfurt school led by Theodor Adorno and Max Horkheimer, followed subsequently by writers such as Herbert Marcuse.[3] At that time, "culture industry" was a concept intended to shock; culture and industry were argued to be opposites and the term was used in polemics against the limitations of modern cultural life. It continued to be used as an expression of contempt for the popular newspapers, movies, magazines and music that distracted the masses.[4]

In the present day, there remain different interpretations of culture as an industry. For some, the notion of "cultural industries" evokes dichotomies such as elite versus mass culture, high versus popular culture, and fine arts versus commercial entertainment. More generally, however, the proposition that the cultural industries are simply those industries that produce cultural goods and services, typically defined along the lines outlined above, has gained greater acceptance.

In UNESCO, for example, the cultural industries are regarded as those industries that "combine the creation, production and commercialisation of contents which are intangible and cultural in nature. These contents are typically protected by copyright and they can take the form of goods or services". An important aspect of the cultural industries, according to UNESCO, is that they are "central in promoting and maintaining cultural diversity and in ensuring democratic access to culture".[5] This twofold nature – combining the cultural and the economic – gives the cultural industries a distinctive profile.

Similarly, in France, the "cultural industries" have recently been defined as a set of economic activities that combine the functions of conception, creation and production of culture with more industrial functions in the large-scale manufacture and commercialization of cultural products.[6] Such a definition seems to initiate a process leading towards a broader interpretation of the cultural industries than that implied by traditional notions of the "cultural sector".

1.1.4 | Cultural economics

Many politicians and academics, particularly in Europe and Latin America, use the concept of "cultural economics" or the term "economy of culture" when dealing with the economic aspects of cultural policy. Moreover, many artists and intellectuals feel uncomfortable with the emphasis given to market aspects in the debate on the creative industries and hence the creative economy. "Cultural economics" is the application of economic analysis to all of the creative and performing arts, the heritage and cultural industries, whether publicly or private owned. It is concerned with the economic organization of the cultural sector and with the behaviour of producers, consumers and governments in this sector. The subject includes a range of approaches, mainstream and radical, neoclassical, welfare economics, public policy and institutional economics.[7] While the theoretical and economic analysis in this Report is based on the principles of cultural economics as a discipline, the purpose is to better understand the dynamics of creativity and its overall interactions with the world economy, including its multidisciplinary dimension in which cultural policies interact with technological and trade policies.

1.1.5 | Creative industries

Usage of the term "creative industries" varies among countries. It is of relatively recent origin, emerging in Australia in 1994 with the launching of the report, *Creative Nation*. It was given wider exposure by policy-makers in the United Kingdom in 1997, when the Government, through the Department of Culture, Media and Sport, set up the Creative Industries Task Force. It is noteworthy that the designation "creative industries" that has developed since then has broadened the scope of cultural industries beyond the arts and has marked a shift in approach to potential commercial activities that until recently were regarded purely or predominantly in non-economic terms.[8]

A number of different models have been put forward over recent years as a means of providing a systematic understanding of the structural characteristics of the creative industries. The following paragraphs review four of these models, highlighting the different classification systems that

[3] See Adorno and Horkheimer (1947), Marcuse (1991).
[4] See John Carey, *The Intellectual and the Masses*, London: Faber, 1992.
[5] See http://portal.unesco.org/culture/en/ev.php-URL_ID=34603&URL_DO=DO_TOPIC&URL_SECTION=201.html .
[6] See Département des études, de la prospective et des statistiques (2006:7).
[7] According to the definition by the *Journal of Cultural Economics*, an academic quarterly periodical published in cooperation with the Association of Cultural Economics International.
[8] See *Creative Industries and Development* (document TD(XI)/BP/13, 4 June 2004).

they imply for the creative economy. Each model has a particular rationale, depending on underlying assumptions about the purpose and mode of operation of the industries. Each one leads to a somewhat different basis for classification into "core" and "peripheral" industries within the creative economy, emphasizing once again the difficulties in defining the "creative sector" that were discussed earlier. The four models are as follows:

- *UK DCMS model.* This model derives from the impetus in the late 1990s in the United Kingdom to reposition the British economy as an economy driven by creativity and innovation in a globally competitive world. "Creative industries" are defined as those requiring creativity, skill and talent, with potential for wealth and job creation through the exploitation of their intellectual property (United Kingdom Department of Culture, Media and Sport (DCMS), 2001). Virtually all of the 13 industries included in the DCMS classification could be seen as "cultural" in the terms defined earlier; however, the Government of the United Kingdom has preferred to use the term "creative" industries to describe this grouping, apparently to sidestep possible high-culture connotations of the word "cultural".
- *Symbolic texts model.* This model is typical of the approach to the cultural industries arising from the critical-cultural-studies tradition as it exists in Europe and especially the United Kingdom (for example, Hesmondhalgh, 2002). This approach sees the "high" or "serious" arts as the province of the social and political establishment and therefore focuses attention instead on popular culture. The processes by which the culture of a society is formed and transmitted are portrayed in this model via the industrial production, dissemination and consumption of symbolic texts or messages, which are conveyed by means of various media such as film, broadcasting and the press.
- *Concentric circles model.* This model is based on the proposition that it is the cultural value of cultural goods that gives these industries their most distinguishing characteristic. Thus the more pronounced the cultural content of a particular good or service, the stronger is the claim to inclusion of the industry producing it (Throsby, 2001). The model asserts that creative ideas originate in the core creative arts in the form of sound, text and image and that these ideas and influences diffuse outwards through a series of layers or "concentric circles", with the proportion of cultural to commercial content decreasing as one moves further outwards from the centre. This model has been the basis for classifying the creative industries in Europe in the recent study prepared for the European Commission (KEA European Affairs, 2006:53-57).
- *WIPO copyright model.* This model is based on industries involved directly or indirectly in the creation, manufacture, production, broadcast and distribution of copyrighted works (World Intellectual Property Organization, 2003). The focus is thus on intellectual property as the embodiment of the creativity that has gone into the making of the goods and services included in the classification. A distinction is made between industries that actually produce the intellectual property and those that are necessary to convey the goods and services to the consumer. A further group of "partial" copyright industries comprises those where intellectual property is only a minor part of their operation (see chapter 6).

Table 1.1 summarizes the industries included in each model. The UK DCMS model makes no distinction between the industries included, but the other three designate a group of "core" industries, i.e., those whose inclusion is central to the definition adopted in each case. It is apparent that the contents of the core differ markedly among these three models; for example, the creative arts, which are the epicentre of the concentric circles model, are regarded as peripheral in the symbolic texts construction.

There is no "right" or "wrong" model of the creative industries, simply different ways of interpreting the structural characteristics of creative production. The attractiveness of the various models may therefore be different, depending on the analytical purpose. From the viewpoint of statistical data collection, however, a standardized set of definitions and a common classification system are needed as a basis for designing a workable framework for dealing with the creative industries within the larger standard industrial classification systems that apply across the whole economy.

1.1.6 | The UNCTAD classification of the creative industries

A significant landmark in embracing the concept of the "creative industries" was the UNCTAD XI Ministerial Conference in 2004. At this Conference, the topic of creative industries was introduced onto the international economic and development agenda, drawing upon recommendations made by a High-level Panel on Creative Industries and Development. This topic is further elaborated in chapter 9.

Table 1.1 Classification systems for the creative industries derived from different models

1. UK DCMS model	2. Symbolic texts model	3. Concentric circles model	4. WIPO copyright model
Advertising	**Core cultural industries**	**Core creative arts**	**Core copyright industries**
Architecture	Advertising	Literature	Advertising
Art and antiques market	Film	Music	Collecting societies
Crafts	Internet	Performing arts	Film and video
Design	Music	Visual arts	Music
Fashion	Publishing	**Other core cultural industries**	Performing arts
Film and video	Television and radio	Film	Publishing
Music	Video and computer games	Museums and libraries	Software
Performing arts	**Peripheral cultural industries**	**Wider cultural industries**	Television and radio
Publishing	Creative arts	Heritage services	Visual and graphic art
Software	**Borderline cultural industries**	Publishing	**Interdependent copyright industries**
Television and radio	Consumer electronics	Sound recording	Blank recording material
Video and computer games	Fashion	Television and radio	Consumer electronics
	Software	Video and computer games	Musical instruments
	Sport	**Related industries**	Paper
		Advertising	Photocopiers, photographic equipment
		Architecture	**Partial copyright industries**
		Design	Architecture
		Fashion	Clothing, footwear
			Design
			Fashion
			Household goods
			Toys

The UNCTAD approach to the creative industries relies on enlarging the concept of "creativity" from activities having a strong artistic component to "any economic activity producing symbolic products with a heavy reliance on intellectual property and for as wide a market as possible"[9] (UNCTAD, 2004). UNCTAD makes a distinction between "upstream activities" (traditional cultural activities such as performing arts or visual arts) and "downstream activities" (much closer to the market, such as advertising, publishing or media-related activities) and argues that the second group derives its commercial value from low reproduction costs and easy transfer to other economic domains. From this perspective, cultural industries make up a subset of the creative industries.

Creative industries are vast in scope, dealing with the interplay of various subsectors. These subsectors range from activities rooted in traditional knowledge and cultural heritage such as arts and crafts, and cultural festivities, to more technology and services-oriented subgroups such as audiovisuals and the new media. The UNCTAD classification of creative industries is divided into four broad groups: heritage, arts, media and functional creations. These groups are in turn divided into nine subgroups, as presented in figure 1.3.

The rationale behind this classification is the fact that most countries and institutions include various industries under the heading "creative industries", but very few try to classify these industries in domains, groups and subsectors. Yet doing so would facilitate an understanding of the cross-sectoral interactions as well as of the broad picture. This classification could also be used to provide consistency in quantitative and qualitative analysis. It should be noted that all trade statistics presented in this Report are based on this classification.

According to this classification, the creative industries comprise four groups, taking into account their distinct characteristics. These groups, which are heritage, arts, media and functional creations, are described in figure 1.3.

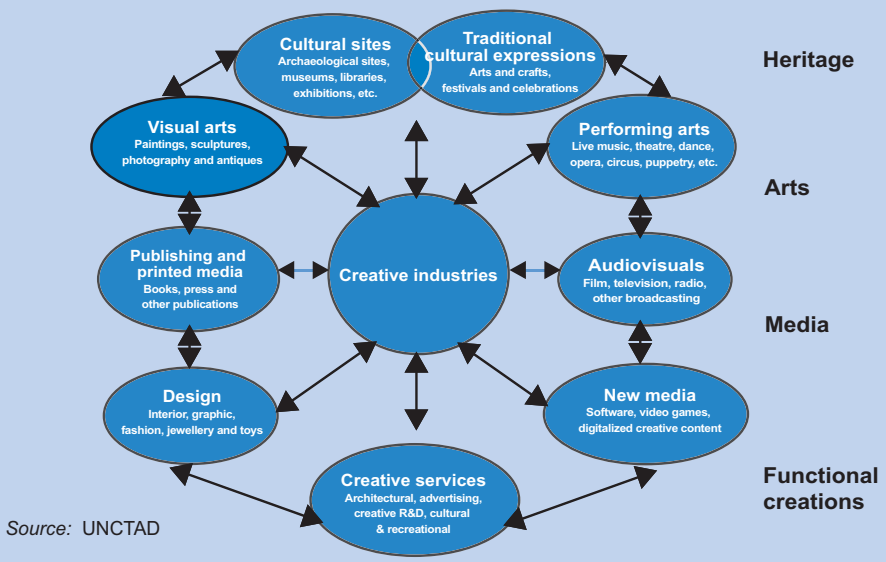
UNCTAD definition of the creative industries

The creative industries:

- *are the cycles of creation, production and distribution of goods and services that use creativity and intellectual capital as primary inputs;*
- *constitute a set of knowledge-based activities, focused on but not limited to arts, potentially generating revenues from trade and intellectual property rights;*
- *comprise tangible products and intangible intellectual or artistic services with creative content, economic value and market objectives;*
- *are at the cross-road among the artisan, services and industrial sectors; and*
- *constitute a new dynamic sector in world trade.*

[9] See *Creative Industries and Development* (document TD(XI)/BP/13, 4 June 2004).

Figure 1.3 UNCTAD classification of creative industries



Source: UNCTAD

- *Heritage*. Cultural heritage is identified as the origin of all forms of arts and the soul of cultural and creative industries. It is the starting point of this classification. It is heritage that brings together cultural aspects from the historical, anthropological, ethnic, aesthetic and societal viewpoints, influences creativity and is the origin of a number of heritage goods and services as well as cultural activities. Associated with heritage is the concept of "traditional knowledge and cultural expressions" embedded in the creation of arts and crafts as well as in folklore and traditional cultural festivities. This group is therefore divided into two subgroups:
  - *Traditional cultural expressions:* arts and crafts, festivals and celebrations; and
  - *Cultural sites:* archaeological sites, museums, libraries, exhibitions, etc.
- *Arts*. This group includes creative industries based purely on art and culture. Artwork is inspired by heritage, identity values and symbolic meaning. This group is divided into two large subgroups:
  - *Visual arts:* painting, sculpture, photography and antiques; and
  - *Performing arts:* live music, theatre, dance, opera, circus, puppetry, etc.
- *Media*. This group covers two subgroups of media that produce creative content with the purpose of communicating with large audiences ("new media" is classified separately):
  - *Publishing and printed media:* books, press and other publications; and
  - *Audiovisuals:* film, television, radio and other broadcasting.
- *Functional creations*. This group comprises more demand-driven and services-oriented industries creating goods and services with functional purposes. It is divided into the following subgroups:
  - *Design:* interior, graphic, fashion, jewellery, toys;
  - *New media:* software, video games, and digitalized creative content; and
  - *Creative services:* architectural, advertising, cultural and recreational, creative research and development (R&D), digital and other related creative services.

There is an ongoing debate about whether science and R&D are components of the creative economy. Besides the issue of including the economic gains derived from intellectual property stemming from scientific research, there is hardly any empirical research analysing the interactions between research, science and the dynamics of the creative economy. UNESCO approached this matter in the context of increased cooperation between science and industry as well as between the public and private sectors in the promotion of scientific research for long-term goals, prior to the discourse about the creative economy, in the context of the World Conference on Science in 1999. As pointed out in the Declaration, the two sectors should work in close collaboration and in a complementary manner. However, from reviewing follow-up activities, it seems that scientists from the public and private sectors have not yet articulated this cooperation even if the private sector is a direct beneficiary of scientific innovation and science education and an increasing proportion of funds for creative-industry-related scientific research is financed by the private sector.

Sport and its role in the creative economy are also debatable. Some classifications of creative industries include sport. In most cases, this is because ministries of culture are also in charge of sport matters. This is also justified by the fact that sport is an important source of revenue and generates positive externalities in various other sectors of the economy. Another

practical and methodological reason is that in national accounts, sport is aggregated with recreational services. From the conceptual viewpoint adopted by the present Report, however, sport is associated more with training, rules and competition than with creative content. Therefore, sport is not included in the UNCTAD classification of "creative industries".

1.1.7 | The creative economy

Regardless of the way in which the creative industries are defined and classified, there is no disagreement that they lay at the centre of what can be labelled in broader terms the "creative economy". The term "creative economy" appeared in 2001 in John Howkins' book about the relationship between creativity and economics.[10] For Howkins, "creativity is not new and neither is economics, but what is new is the nature and the extent of the relationship between them and how they combine to create extraordinary value and wealth". Howkins' use of the term "creative economy" is broad, covering fifteen creative industries extending from arts to the wider fields of science and technology. According to his estimates, in the year 2000, the creative economy was worth $2.2 trillion worldwide, and it was growing at 5 per cent annually. For Howkins, there are two kinds of creativity: the kind that relates to people's fulfilment as individuals and the kind that generates a product. The first one is a universal characteristic of humanity and is found in all societies and cultures. The second is stronger in industrial societies, which put a higher value on novelty, on science and technological innovation, and on intellectual property rights (IPRs).

There is no unique definition of the "creative economy". It is a subjective concept that is still being shaped. There is, however, growing convergence on a core group of creative industries and their overall interactions both in individual countries and at the international level.

This Report adopts the UNCTAD definition of the "creative economy", which is summarized in the following box.[11]

For countries in the developing world, recognition of the development dimension of the creative industries and hence of the creative economy has been more recent. The São Paulo Consensus arising from UNCTAD XI was a decisive step in this regard. Subsequently, UNCTAD has enlarged the focus of its policy-oriented analysis, emphasizing four key objectives in its approach to the creative economy:

UNCTAD definition of the creative economy

The "creative economy" is an evolving concept based on creative assets potentially generating economic growth and development.

- *It can foster income-generation, job creation and export earnings while promoting social inclusion, cultural diversity and human development.*
- *It embraces economic, cultural and social aspects interacting with technology, intellectual property and tourism objectives.*
- *It is a set of knowledge-based economic activities with a development dimension and cross-cutting linkages at macro and micro levels to the overall economy.*
- *It is a feasible development option calling for innovative, multidisciplinary policy responses and interministerial action.*
- *At the heart of the creative economy are the creative industries.*

- to reconcile national cultural objectives with technological and international trade policies;
- to deal with the asymmetries inhibiting the growth of creative industries in developing countries;
- to reinforce the so-called "creative nexus" between investment, technology, entrepreneurship and trade; and
- to identify innovative policy responses for enhancing the creative economy for development gains.

Other initiatives that have furthered the role of the creative economy in development include a symposium held in Nagaur, India, in 2005. Organized by UNESCO, the symposium focused on the role of cultural industries in development, with particular emphasis on the importance of local artistic and cultural activity as a means towards economic empowerment and poverty alleviation. The recommendations of this event, known as the Jodhpur Initiatives, put forward a series of strategies for data collection and industry development for implementation in various Asian countries.

At the same time at UNESCO Headquarters, work was proceeding on the preparation of a cultural diversity convention whose provisions would specifically recognize the contribution that cultural industries make to economic and cultural development in both industrialized and developing countries. The resulting Convention on the Protection and Promotion of the Diversity of Cultural Expressions was

[10] See Howkins (2001), *The Creative Economy: How People Make Money from Ideas.*
[11] Reference made to the definition by the UNCTAD Creative Economy and Industries Programme, 2006.

adopted by the General Conference of UNESCO in October 2005 and entered into force in March 2007 (see chapter 9).[12]

Thus it can be seen that the concept of the "creative economy" has evolved along several paths over the last ten years. It has emerged as a means of focusing attention on the role of creativity as a force in contemporary economic life, embodying the proposition that economic and cultural development are not separate or unrelated phenomena but part of a larger process of sustainable development in which both economic and cultural growth can occur hand in hand. In particular, the idea of the creative economy in the developing world draws attention to the significant creative assets and rich cultural resources that exist in all developing countries. The creative industries that use these resources not only enable countries to tell their own stories and to project their own unique cultural identities to themselves and to the world but they also provide these countries with a source of economic growth, employment creation and increased participation in the global economy. At the same time, the creative economy promotes social inclusion, cultural diversity and human development.

1.1.8 | The creative class and creative entrepreneurs

A broad interpretation of creativity also underlies Richard Florida's descriptions of the emerging "creative class" in society, a cohort of professional, scientific and artistic workers whose presence generates economic, social and cultural dynamism, especially in urban areas.[13] More specifically, the creative class includes people in science and engineering, architecture and design, education, arts, music and entertainment whose economic function is to create new ideas, new technology or new creative content. In Florida's approach, the creative class also includes a broader group of creative professionals in business, finance and law. Whether they are artists or engineers, musicians or computer scientists, writers or entrepreneurs, these workers share a common creative ethos that values creativity, individuality, difference and merit. In sum, they are people who add economic value through creativity. The values of the creative class are individuality, meritocracy, diversity and openness.

Florida estimated that at the beginning of the twenty-first century, the creative class represented almost one third of the workforce in the United States of America and that the creative sector accounted for nearly half of all wage and salary income in this country, about $1.7 trillion, as much as the manufacturing and service sectors combined.[14] "Creativity is not intelligence. Creativity involves the ability to synthesize. It is a matter of sifting through data, perceptions and materials to come up with something new and useful". In his second book,[15] Florida points out that we are entering the creative age, as the rise of creativity is the prime factor of our economy. He presents his "3 Ts theory" for economic growth: technology, talent and tolerance. His theory differs from the conventional theory since he argues that talent drives growth. He then goes a step further by adding the third T, tolerance, which is needed to attract human capital. Criticisms have been raised about Florida's work, including that the range of occupational categories to define the creative class is too broad. Nevertheless, it is recognized that he has contributed to advancing a public discourse about the emerging creative economy.

Along these lines, the notion of "creative entrepreneurs" is also emerging to characterize successful and talented entrepreneurial people able to transform ideas into creative products or services for society (see box 1.1).

1.1.9 | Creative cities

The idea of a creative economy has also been applied specifically to the economy of cities, leading to the emergence of the concept of a "creative city". This term describes an urban complex where cultural activities of various sorts are an integral component of the city's economic and social functioning. Such cities tend to be built upon a strong social and cultural infrastructure, to have relatively high concentrations of creative employment, and to be attractive to inward investment because of their well-established cultural facilities.

Charles Landry, in his seminal work on the concept of the creative city, argues that cities have one crucial resource: their people. Creativity is replacing location, natural resources and market access as a principal key to urban dynamism. He points out that "Today many of the world's cities face periods of transition largely brought about by the

[12]See also chapter 8.
[13]See Florida (2002).
[14]See *Harvard Business Review*, February 2004.
[15]See R. Florida (2005), *The Flight of the Creative Class.*

vigour of renewed globalization. These transitions vary from region to region. In areas such as Asia, cities are growing, while in others, such as Europe, old industries are disappearing and the value added in cities is created less through what is manufactured and more through intellectual capital applied to products, processes and services".[16]

Creative cities use their creative potential in various ways. Some function as nodes for generating cultural experiences for inhabitants and visitors through the presentation of their cultural heritage assets or through their cultural activities in the performing and visual arts. Some, such as Bayreuth, Edinburgh or Salzburg, use festivals that shape the identity of the whole city. Others look to broader cultural and media industries to provide employment and incomes and to act as centres for urban and regional growth. In other cases, a more pervasive role for culture in the creative city rests on the capacity of the arts and culture to foster urban liveability, social cohesion and cultural identity.

The contribution of the creative sector to the economic vitality of cities can be measured in terms of the direct contribution of the sector to output, value added, incomes and employment and further through the indirect and induced effects caused, for example, by the expenditures of tourists visiting the city to experience its cultural attractions. In addition, cities with an active cultural life can attract inward investment in other industries seeking to locate in centres that will provide an enjoyable, stimulating environment for employees.

Box 1.1 A creative entrepreneur: Transforming ideas into successful business

In the last 20 years, intellectual property has become increasingly important to businesses, and personal computers started appearing on every desktop, employees morphed into knowledge workers, companies began to focus on knowledge management and key information was stored in knowledge bases connected – in theory – via knowledge networks. The result was the knowledge economy, a phenomenon that has transformed the business of business and helped entire emerging economies to compete globally.

In this context, however, most of the "knowledge" on which the knowledge economy is built is actually just information – data, facts and basic business intelligence. As management guru Tom Davenport once said, "Knowledge is information combined with experience, context, interpretation, and reflection". It is the knowledge derived from information that gives you a competitive edge. Many of us now live in an "information democracy" – if you have access to a personal computer (PC) and the Internet, you can tap into almost all the information that is publicly available worldwide. Advanced software and Web services can help trace, slice and dice the information in ways that were impossible a decade ago.

The emergence of low-cost PCs gave rise to a powerful network that has transformed opportunities for learning and communicating. The magical thing about this network is not just that it collapses distance and makes everyone your neighbour. It also dramatically increases the number of brilliant minds we can have working together – and this scales up the rate of innovation to a staggering degree.

As more and more of the world's information, commerce, and communications moves to digital form, it will open the door to a new world of connected experiences that link our interests and our communities into a seamless whole that extends across home, work, school and play. Already, a new generation of technology is transforming expectations for how we will conduct business, communicate, access entertainment and much more. Increasingly, people envision a world of anywhere access – a world in which the information, the communities and the content that they value are available instantly and easily no matter where they are.

William (Bill) H. Gates is chairman of Microsoft Corporation, one of the biggest companies in software services and business solutions in the world. When Microsoft began in 1975, Mr. Gates and Paul Allen, co-founder of Microsoft, immediately recognized the implications of the microprocessor and its potential to revolutionize the information and communication technology. In 1981, I.B.M. selected the fledgling company to be the main supplier of operating systems for its first PC – Microsoft's first big step towards defining the software standards of the PC industry. Its Windows operating systems and Office productivity programmes are the dominant PC software. Microsoft had revenues of $51.12 billion for the fiscal year ending June 2007 and employs more than 78,000 people in 105 countries and regions.

In addition, Mr. Gates founded Corbis, which is developing one of the world's largest resources of visual arts information – a comprehensive digital archive of art and photography from public and private collections around the globe. He and his wife, Melinda, have endowed a foundation to support philanthropic initiatives in the areas of global health and education.

Sources: **http://www.microsoft.com/presspass/exec/billg/books/default.mspx**
http://www.gatesfoundation.org/MediaCenter/Speeches/Co-ChairSpeeches/BillgSpeeches/BGSpeechHarvard-070607.htm
http://topics.nytimes.com/top/reference/timestopics/people/g/bill_gates/index.html?inline=nyt-per

By Carolina Quintana, UNCTAD secretariat.

[16] See Landry (2000:xiii).

Box 1.2 The creative city

The notion of "creativity" has moved centre-stage given the dramatic shifts in global terms of trade, the operating dynamics of the economy, the rise of the talent agenda and the repositioning of cities worldwide. Everyone is now in the creativity game. Creativity has become a mantra of our age, endowed almost exclusively with positive virtues. At my last count, over 60 cities worldwide called themselves "creative city" from Creative Manchester to Bristol and, of course, Creative London in Britain. And ditto Canada: Toronto with its Culture Plan for the Creative City; Vancouver and the Creative City Task Force and Ottawa's plan to be a creative city. In Australia we find the Brisbane Creative City strategy; there is Creative Auckland. In the United States, there is creative Cincinnati, creative Tampa Bay and the welter of creative regions such as creative New England. Partners for Livable Communities in Washington, D.C., launched a Creative Cities Initiative in 2001; Osaka set up a Graduate School for Creative Cities in 2003 and launched a Japanese Creative Cities Network in 2005; and since 2004, there has been "Yokohama: Creative City". Even UNESCO, through its Global Alliance for Cultural Diversity, launched its Creative Cities Network in 2004, crowning Edinburgh as the first member for its literary creativity, and since then, over a dozen have followed. To simplify, there are four ways in which the term "creative city" has been used.

The creative city as arts and cultural infrastructure

Indeed, on closer examination, most of the strategies and plans are in fact concerned with strengthening the arts and cultural fabric, such as support for the arts and artists and the institutional infrastructure to match.

The creative city as the creative economy

Increasingly, there is a focus on fostering the creative industries or creative economy, which is seen as a platform for developing the economy and even the city. At its core there are three main domains: the arts and cultural heritage, the media and entertainment industries, and the creative business-to-business services.

The latter sphere is perhaps the most important since it can add value to every product or service. Design, advertising and entertainment in particular act as drivers of innovation in the broader economy and shape the so-called "experience economy".

The creative city as synonymous with a strong creative class

Richard Florida, who introduced the term "creative class", makes an important conceptual shift by focusing on the creative role of people in the "creative age". He argues that the economy is moving from a corporate-centred system to a people-driven one and companies now move to people and not people to jobs, and cities need a people climate as well as a business climate.

Florida develops indicators to measure the attributes of places that attract and retain the creative class, which in turn attracts companies. Artists constitute one group at the core of this class, as are creative economy people and importantly, scientists, so the city with a strong creative class is broader than the first two definitions. Cities are locked in competition to attract, keep or grow their own creative classes, and the factors that contribute to this, such as good air connections, research capacity, venture capital investment, and clusters of producers, are all well known in the widely copied "Silicon Somewhere" model.

The cities that are succeeding in the new economy are also the most diverse, tolerant and bohemian places. Cities that are investing heavily in high technology futures but that also are not providing a broad mix of cultural experiences will fall behind in the longer term. The central concern of Richard Florida in *The Rise of the Creative Class*[1] is the "quality of place", captured by inquiring: What's there? Who's there? and What's going on?

The creative city as a place that fosters a culture of creativity

The three definitions described above are helpful, but this is not what the "creative city" is exclusively concerned with. The "creative city" notion is broader than that of the "creative economy" and "creative class". It sees the city is an integrated system of multiple organizations and an amalgam of cultures in the public, private and community sectors. It claims that in a period of dramatic change, the disparate bodies in a city need to each become more inventive and work together to address the challenges; otherwise, they will go backwards.

The Creative City[2] argues that "Cities have one crucial resource – their people. Human cleverness, desires, motivations, imagination and creativity are replacing location, natural resources and market access as urban resources. The creativity of those who live in and run cities will determine future success. As cities became large and complex enough to present problems of urban management so they became laboratories that developed the solutions – technological, conceptual and social – to the problems of growth".

The idea of the "creative city" emerged in the late 1980s. It was a response to the fact that globally, cities had been struggling and restructuring as global terms of trade shifted to the East and elsewhere. When the "creative city" notion was more publicly introduced in the early 1990s, the philosophy was that there is always more potential in any place than any of us would think at first sight, even though very few cities, perhaps London, Tokyo, New York or Amsterdam, are comprehensively creative. It posits that conditions need to be created for people to think, plan and act with imagination in harnessing opportunities ranging from addressing homelessness to creating wealth or getting artists to unsettle conventional attitudes. The concept is that ordinary people can make the extraordinary happen and that if everyone were just 5 per cent more imaginative about what they did, the impact would be dramatic.

Box 1.2 continued **The creative city**

In the "creative city", it is not only artists and those involved in the creative economy who are creative. Creativity can come from anyone who addresses issues in an inventive way, be it a social worker, a business person, an engineer, a scientist or a public servant. In the urban context, interestingly, it is combined teams that, with different insights, generate the most interesting ideas and projects. This implies that the "creative city" is a place that is imaginative comprehensively. It has a creative bureaucracy, creative individuals, organizations, schools, universities and much more. By encouraging creativity and legitimizing the use of imagination within the public, private and community spheres, the idea bank of possibilities and potential solutions to any urban problem will be broadened.

The "creative city" requires infrastructures beyond the hardware – buildings, roads or sewage. Creative infrastructure is a combination of the hard and the soft, including, too, the mental infrastructure, the way a city approaches opportunities and problems, the atmosphere and the enabling devices that it fosters through its incentives and regulatory structures. The soft infrastructure needs to include: a highly skilled and flexible labour force; dynamic thinkers, creators and implementers; being able to give maverick personalities space; strong communication linkages internally and with the external world; and an overall culture of entrepreneurship whether this is applied to social or economic ends. This establishes a creative rub as the imaginative city stands on the cusp of a dynamic and tense equilibrium.

Being creative as an individual or organization is relatively easy, yet to be creative as a city is a different proposition, given the amalgam of cultures and interests involved. This usually implies taking measured risks, widespread leadership, a sense of going somewhere, being determined but not deterministic and, crucially, being strategically principled and tactically flexible. To maximize this requires a change in mindset, perception, ambition and will, and an understanding of the city's networking capacity and its cultural depth and richness. This transformation has a strong impact on organizational culture. It requires thousands of changes in mindset, creating the conditions for people to become agents of change rather than victims of change, seeing transformation as a lived experience, not a one-off event. It requires bureaucracies that are themselves creative.

The built environment – the stage, the setting, the container – is crucial for establishing a milieu. Essentially, the city is seen as a complex adaptive system where a more holistic approach creates "systemic creativity" and where creativity is leveraged in the entire community. This milieu creates the mood of the city, the atmosphere and its culture.

[1] Florida, R. (2002), *The Rise of the Creative Class …And How It's Transforming Work, Leisure, Community, & Everyday Life.* New York: Basic Books.
[2] Charles Landry (2000), *The Creative City: A Toolkit for Urban Innovators*, Earthscan Publications Ltd., London.

By Charles Landry, who wrote *The Creative City: A Toolkit for Urban Innovators in 2000* and more recently *The Art of City-Making* in 2006.

A good example of a creative city is London; the creative industries comprise the second biggest sector in the London economy. Between 1995 and 2001, London's creative industries grew faster than any other major industry except financial and business services and accounted for between 20 and 25 per cent of job growth in the city over this period.[17] Table 1.2 provides some indicators regarding the creative workforce in some major creative cities in recent years.

Established in 2004, the UNESCO Creative Cities Network reflects a changing perception of culture and its role in society and as part of the economy. The idea for the network was based on the observation that while many cities around the world realize that the creative industries are beginning to play a much greater role in their local economic and social development schemes, they do not see clearly how to harness this potential or how to engage the appropriate actors in this development.

The main objective of the network is, therefore, to facilitate the development of cultural clusters around the world to exchange know-how, experiences and best practices as a means of promoting local economic and social development through creative industries. In order to better target the development needs of specific subsectors within the cultural industries, the Creative Cities Network devised seven thematic networks and cities can choose one field on which to focus their efforts. Cities with established creative pedigrees in the fields of literature, cinema, music, folk art, design, information technology/media arts or gastronomy can apply to join the network. Cities are encouraged to consider their candidature in fields that have the greatest potential for economic and social development.

Montreal is a case study for design-integrated processes and the kind of development of cultural districts that is also found in other parts of the world. The notion of "design" is fully integrated as part of the urban planning strategy for the city. In Montreal, design is not only about

[17] Data from GLA Economics, quoted in The Work Foundation, *Staying Ahead: The Economic Performance of the UK's Creative Industries* (2007:48).

Table 1.2 Estimates of culture employment in selected creative cities

City	Reference year	City population (000s)	City population as % of national population	City culture employment (000s)	City culture employment as % of national culture employment
London	2002	7,371	12.4	525	23.8
Montreal	2003	2,371	7.4	98	16.4
New York	2002	8,107	2.8	309	8.9
Paris (Ile-de-France)	2003	11,130	18.5	113	45.4

Source: John C. Gordon and Helen Beilby-Orrin, *International Measurement of the Economic and Social Importance of Culture,* Organisation for Economic Co-operation and Development (OECD), 2007.

Table 1.3 Creative Cities Network

City	Country	Theme
Edinburgh	Scotland	UNESCO City of Literature
Bologna	Italy	UNESCO City of Music
Seville	Spain	UNESCO City of Music
Buenos Aires	Argentina	UNESCO City of Design
Montreal	Canada	UNESCO City of Design
Berlin	Germany	UNESCO City of Design
Santa Fe, New Mexico	United States	UNESCO City of Folk Art
Aswan	Egypt	UNESCO City of Folk Art
Popayan	Colombia	UNESCO City of Gastronomy

Source: UNESCO.

generating wealth but also about improving the quality of people's lives. The Canadian authorities invited designers and architects to redefine a new aesthetic/functionality of open spaces and to reinvent and redevelop neglected parts of Montreal in order to make these more attractive to the citizens. The "Design Commerce Montreal" project invited designers/architects to work on the look and feel of shopping areas by redesigning numerous shops and restaurants.

The city of Popayan, Colombia, was appointed as the first UNESCO City of Gastronomy and it provides quite a different model for development. It has made extraordinary strides in formalizing its informal gastronomy industry. By facilitating space and other facilities, imposing mandatory hygiene regulations and publishing widely circulated restaurant and food surveys that include even the smallest food stands, Popayan has invigorated its economy and provided jobs and income to many people through the conscious support of this subsector of the creative industries. This newly discovered transparency and openness to the world are giving individuals, families and communities in Popayan the opportunity to come together and celebrate their distinctive recipes, rituals and ingredients within an international forum.

It is interesting to note that while the Creative Cities Network started out by focusing on the fine arts and core cultural industries such as literature, music and folk art as well as on the need to build on a proven track record within one of the cultural themes or disciplines, the difficulties in demonstrating measurable economic results may have led to a more economics-based interpretation of this requirement, shifting the focus from fine arts/tradition and its upgrading or adornment effect on the city to a more innovative (design) and market-driven (gastronomy) approach to the development of creative industries within the cityscape.

1.1.10 | Creative clusters, networks and districts

A specific aspect of the growth of creative production within an urban context derives from the existence of agglomeration externalities, the beneficial spillovers that accrue to firms from proximity to one another. It is not only in cities that such effects can be realized. In principle, groups of creative businesses might grow up in any location if the conditions for development of a creative cluster exist. The tendency of firms producing cultural products such as music, film, visual arts, fashion, design and so on to converge in distinctive clusters reflects the economic, social and cultural interactions that develop between firms and that become essential to their survival and growth. As Allen Scott argues (Scott, 2005:7), "By clustering together, 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."

Box 1.3 Cultural and creative clusters in China

The importance of the creative economy in East Asia and particularly in the Hong Kong Special Administrative Region (SAR) of China and mainland China is reflected in the mushrooming of creative hubs and clusters in the region. In most cases, these are conversions of run-down and vacant factories that used to house activities of the manufacturing industries that either died off or have been relocated to another district or city. The majority of these conversions are initiated by the government, implemented either wholly by the government or in some form of public-private partnership. We will examine here the situations in Hong Kong SAR and Beijing.

As a policy directive, the Hong Kong SAR Government first employed the term "creative industries" in its Policy Address of 2003. A mapping exercise was carried out, resulting in the report, Baseline Study of Hong Kong's Creative Industries (Central Policy Unit and the Centre for Cultural Policy Research (CCPR) of the University of Hong Kong, 2003). Subsequent annual Policy Addresses reinforced this initial interest with concrete measures until January 2005, when it was elaborated as the priority work of the then Chief Executive, Tung Chee Wah, for his remaining term of office.[1] The Home Affairs Bureau (HAB) of the Hong Kong SAR Government also produced a creativity index in the same year (HAB & CCPR, 2005).

■ Jockey Club Creative Arts Centre – Hong Kong SAR

The Jockey Club Creative Arts Centre project is the first of its kind initiated by the Government and supported by a few institutions, including a seed donation of HK$70 million from the Jockey Club for the renovation of a vacant factory building into a creative arts centre.[2] The seven-storey factory, with a gross floor area of about 8,000 sq m, is located in a very old district of public housing called Shek Kip Mei. The designer is to consider how to convert and transform the factory spaces into studios and other communal spaces for the tenants, who would be artists and entrepreneurs in the creative industries. The Creative Arts Centre represents on a very small scale the ambitions of what the Government would like to do in a much bigger urban context: the West Kowloon Cultural District, 40 hectares of reclaimed land on the west side of Kowloon Peninsula facing Victoria Harbour.[3]

■ West Kowloon Cultural District – Hong Kong SAR

The West Kowloon Cultural District project was conceived at the end of the 1990s. An international idea competition was held in 2001 and the scheme of United Kingdom architect Norman Foster to cover the majority of the site with a glass canopy was chosen as the winner. Based on this concept, a design brief was drawn up as an Invitation for Proposal from developers in 2003. The basic requirements were: (a) the plot ratio of development should be about 1.8, giving about 700,000 sq m of gross floor area (but most submissions in the end exceeded this guideline, some even by as much as two times); (b) 30 per cent of the site should be used for art and cultural facilities, including four museums, four concert and performing venues, an outdoor grand theatre with other art and gallery spaces; (c) the remaining area could be developed into retail, office and residential units; and (d) the developer would have to build and operate this project for a period of 30 years before handing it back to the Government. In addition, there were two binding requirements: the project had to include the canopy and it was to be awarded in a single tender.

Despite all the criticisms of the West Kowloon Cultural District project, it did bring about a brief renaissance of arts and culture in Hong Kong: developers suddenly became very interested in organizing art and cultural events such as sponsoring the Pavarotti concert and the musical, "Phantom of the Opera". World-class cultural institutions such as the Pompidou Centre and the Guggenheim Museum were both eager to have their branch museum in the West Kowloon Cultural District. Arts and culture became useful tools even for branding of other real estate projects.

■ Daishanzi Art District (Factory 798) – Beijing

Since 2002, the Daishanzi Art District has been developed from the old Bauhaus-style Factory 798 (which produced electronic equipment for the military) designed by East German architects in the 1950s.[4] The complex occupied a huge area of about 500,000 sq m but became obsolete under the economic reform at the end of the 1980s. In the early 1990s, while most of the sub-factories were vacant with 60 per cent of the total work force laid off, avant-garde artists began renting spaces in the complex, which gradually attracted a clustering of art and publishing companies as anchor tenants. With successful exhibitions and events such as the First Beijing Biennale in 2003 and the Daishanzi International Art Festival in 2004, the artists and community managed to persuade the authority to keep the district as an artistic and creative hub.

■ Dahuan (Great Circle) – Beijing

The 40 hectares of land for the development of the West Kowloon Cultural District is tiny compared with the plan to develop a cultural and creative industry park on the outskirts of Beijing near the Daishanzi area. The project is within the biggest and also the richest administrative district of the city, Chaoyang District, which commissioned the author to do a strategic study for cultural and creative industries.[5] The project is located in an area called Dahuan (or the Great Circle), which has been developed into a great cultural district, including the Chinese Film Museum, which opened in early 2006.

[1] http://www.rthk.org.hk/special/ce_policy2005/.
[2] http://net3.hkbu.edu.hk/~jccac/.
[3] http://www.hab.gov.hk/wkcd/.
[4] See http://en.wikipedia.org/wiki/798_Art_Zone.
[5] See Desmond Hui (2006), "From cultural to creative industries: Strategies for Chaoyang District, Beijing", *International Journal of Cultural Studies*, 9:317-331.

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As Michael Porter has argued (Porter, 1990), the production of creative goods and services under these circumstances can be shown to enhance efficiency and productivity growth and promote sustainable development.[18] In an urban context, this has been observed in traditional centres of cultural production and creative activity such as London, Los Angeles, New York and Paris and, more recently, in the metropolitan surroundings of Bombay, Hong Kong, Mexico City, Seoul and Shanghai.

It is not only in the major centres that such cultural districts arise, however. In many parts of the world, similar processes are going on to produce local concentrations of cultural production that both provide economic empowerment for the community and reflect the traditional knowledge, skills and cultural traditions of the people. Some examples of such production drawn from the developing world are cited by Santagata (2006) as follows:

- In Sigchos, Ecuador, a number of craftsmen produce pottery, woven goods and clothing reproducing old forms, designs and traditional colours.
- In Aleppo, Syrian Arab Republic, micro and small firms gathered in small areas of the town produce green olive soap according to a three-thousand-year-old tradition. The technology employed is ancient, the product highly standardized.

Santagata argues that cultural districts such as these may be able to establish collective IPRs over the distinctive qualities of their particular output. Such rights, which may, for example, be exercised in the form of trademarks, can act as a safeguard against illegal copying as well as a stimulus to new business investment and the maintenance of quality standards (see chapter 6).

1.2 Major drivers of the creative economy worldwide

The major drivers responsible for the extraordinary growth in the creative industries worldwide can be found in both technology and economics. The technological transformations in communications brought about by the digital revolution and the economic environment within which this revolution has taken place have combined to create the conditions for this growth. Some of the most significant drivers of growth in the creative economy are considered in more detail in sections 1.2.1 to 1.2.3.

1.2.1 | Technology

The convergence of multimedia and telecommunication technologies has led to an integration of the means by which creative content is produced, distributed and consumed and has in turn fostered new forms of artistic and creative expression. At the same time, the deregulation of media and telecommunication industries and the privatization of previously State-owned enterprises in these spheres have opened the way for massive growth in private-sector investment, with consequent effects on output and employment across the board. A number of countries have seized the opportunities provided by these developments. To illustrate, the Republic of Korea has ridden a wave of growth driven by its harnessing of content creation to the new technologies in video games, animation and other audiovisual services. As a result, Korean television programming exports, for example, increased threefold in value (from $12.7 million to $37.5 million) over the period from 1999 to 2003.[19]

Digital technology has brought about enormous growth in the range of media through which creative content is conveyed to consumers, such as video-on-demand, music podcasting, streaming, computer games and the provision of television services via cable, satellite and the Internet. Overall, the number of distribution channels and platforms has continued to grow, generating an increasing demand for creative content. It is the task of the creative industries, wherever they are located, to supply this content in a way that is culturally expressive and economically profitable.

Underlying these developments has been a more general trend in economic policy-making towards a broadening of the concept of "innovation" from one concerned only with science and technology into a more wide-reaching appreciation of the role of creativity in the economy. Opening up the idea of creativity as a driving force in the knowledge economy pushes the creative industries into the spotlight as a primary source of the skilled workforce that can produce creative ideas and make

[18]Further discussion of the Porter model of creative clusters is contained in chapter 3.
[19]See Shim (2006:28).

innovation happen across a wide range of activities from business entrepreneurship to imaginative new social programmes.

1.2.2 | Demand

Growth in demand for creative products has also been a significant driver of the growth of the creative economy. Several factors lie behind this demand push. First, rising real incomes in industrialized countries have tended to increase the demand for income-elastic products, including creative goods and services. Moreover, the real prices of some of these products and particularly the prices of the means for their mediated consumption have fallen as technology advances, leading to further upward pressure on demand.

A further factor that continues to drive the growth of the creative economy is the changing patterns of cultural consumption. Again it is the spread of new communication technologies that lies behind the transformation. New generations of consumers are using the Internet, mobile telephony, digital media, etc., in ways that not only expand their range of cultural experiences but also transform them from passive recipients of cultural messages into active co-creators of cultural content. The sense of empowerment brought about by these developments and the process of redefining cultural identities are likely to continue as significant influences on the growth of the creative industries in the future.

The emergence of consumers as creators or co-creators of creative products has stimulated an enormous amount of cultural interaction and interchange. Some of this has been harnessed by firms in the creative industries that have been able to involve consumers in the co-production of their good or service. Examples include open-source software and peer-produced information (see chapter 7).

1.2.3 | Tourism

Worldwide growth in tourism has continued in recent years and has helped to fuel the growth of those creative industries selling creative goods and cultural services into the tourist market. In 2004, international tourist arrivals in Europe totalled 416 million while the numbers arriving in the Asia and Pacific region amounted to 153 million. There were only 33 million arrivals in the whole of Africa.[20]

The cultural sector contributes to tourism through the demand for visits to cultural heritage sites, museums and galleries, festivals and so on as well as tourists' interest in attending music, dance, theatre and opera performances in most cities and towns. More generally, the cultural ambience and traditions of different locations can be an attraction for tourists, especially for those classified as "cultural tourists" whose demand is more discriminating and culturally aware than that of the so-called "mass tourist".

Cultural tourism centred on heritage sites has become a rapidly growing industry in many countries over the last several decades, supported among other things by the UNESCO World Heritage List. The World Heritage List currently includes 851 properties forming part of the cultural and natural heritage that the World Heritage Committee considers as having outstanding universal value. These include 660 cultural, 166 natural and 25 mixed properties in 141 States Parties. As of October 2007, 184 States Parties had ratified the World Heritage Convention.[21]

A visit to any of the major heritage sites in the Asia region clearly demonstrates the increasing number of visitors from China, Japan, Malaysia and the Republic of Korea. It is predicted that there will be over 200 million middle-class Chinese within five years, and many will join the ranks of international tourism. The wealthy middle class in India is equally mobile and looking at travel as a source of education and recreation even as religious tourism and pilgrimage travel are major sources of activity. Discount airline travel in Asia and other parts of the developing world is now a reality and an additional factor in the continuous expansion of tourism in the next few years.

In recent years, however, there has been a shift in the approach to cultural tourism. UNESCO is urging governments to better balance tourism with protection, fearful that some of the most beautiful and important cultural and natural sites are being harmed by throngs of visitors. International organizations such as the United Nations World Tourism Organization (UNWTO) and UNCTAD have therefore been actively promoting a shift in the attitude of governments towards the formulation of tourism policy, focusing on the concept that tourism policy should be both culturally and environmentally friendly and benefit local people.

[20]Figures quoted in Anheier and Isar (2007:526-527).
[21]For more information, see http://whc.unesco.org/en/list/.

Box 1.4 Petra: A cultural trip

A visit to Petra can be more than simply a tour of a dazzling archeological site. It may turn into a full dive into the two-thousand-year-old culture of the ancient Jordanian tribes and a trip to times when the region was an important junction for the trade routes that linked China, India and southern Arabia with Egypt, the Syrian Arab Republic, Greece and Rome.

Though it was "rediscovered" by Western eyes in 1812, the grand debut of Petra on the global-tourism stage took place in 1985 when it was declared a UNESCO World Heritage site. The giant carved red mountains and vast mausoleums provide an awe-inspiring experience. The environment is enriched by the presence of artisans from the town of Wadi Musa and a nearby Bedouin settlement that sell handicrafts and jewellery inspired by local tastes. Evening activities include a candlelight visit to the entrance of Petra, when old stories are told while tea is served beneath the moon. Alternatively, a gastronomy class where tourists learn by cooking and then dining on local delicacies offers another inspiring cultural experience.

Things could be rosier, though. The UNESCO report, Cultural Landscapes: the Challenges of Conservation, stated, in 2002, that in order to arrest the crumbling of the stone, ancient techniques would have to be reintroduced. Petra required the reconstruction of the entire ecosystem that existed when the city was built, comprising a system of canals, terraced overhangs and cultivated gardens in an area close to Petra, the wadi Al Mataha. The most immediate threat to be addressed, however, was presented by the increasing flow of tourists, with all the potential pernicious consequences to the already fragile infrastructure and the local traditions.

The Petra Regional Planning Council, a cross-sectoral entity chaired by the Minister of Tourism and Antiquities and comprising governmental and non-governmental representatives, was set up in 1995 by the Jordanian authorities, funded by 25 per cent of the revenues from the Petra entrance fee. In 1997, a project executed by the Ministry of Tourism and Antiquities and supported by a $44 million loan from the World Bank was taken forward. Under the project, the need for physical upgrading and management capacities at the archeological sites was addressed and roads and urban infrastructures in their vicinity were improved. In addition, services were provided to communities living next to the tourist attractions.

The Jordan National Tourism Strategy 2004-2010 estimates that tourism receipts in the country will skyrocket from around $807 million in 2003 to $1,840 million in 2010 and the number of tourism-supported jobs will more than double in the same period. Part of this increase has roots in festival and cultural events, photography and film productions. The importance of the latter led to the creation, in 2003, of the Royal Film Commission of Jordan, since it was recognized that films can "produce a huge positive impact on the tourism industry by helping to position and market the country". In the past, the stunning Jordanian natural landscapes, of which Petra is paramount, were the stage for a number of films, such as "Lawrence of Arabia" (1962) and "Indiana Jones and the Last Crusade" (1989).

Indeed, the touristic potential of Jordan is still to be explored. According to the United Nations World Tourism Organization, the country received 2,987 million visitors in 2005, representing a growth of 4.7 per cent over that of the previous year but no more than a 7.6 per cent market share in the Middle East. The forecasts are matched by those of the International Monetary Fund (IMF) issues paper, Jordan: Selected Issues and Statistical Appendix (IMF Country Report No. 04/121, May 2004), which projects an average of 8 per cent annual growth in tourism in the whole of Jordan between 2007 and 2009.

By Ana Carla Fonseca Reis, Garimpo de Solucoes, economia, cultura & desenvolvimiento.

1.3 The multiple dimensions of the creative economy

The creative economy is not monolithic, but it has a multitude of dimensions and it contributes to economic, social and cultural development in a number of ways.

1.3.1 | Economic aspects

From the economic perspective, international trade is a key component of the creative economy. According to UNCTAD, world trade in creative-industry products increased sharply in recent years. In the period 2000-2005, trade in goods and services from the creative industries grew on average by 8.7 per cent annually. For instance, world exports of visual arts more than doubled from $10.3 billion in 1996 to $22.1 billion in 2005. Exports of audiovisuals tripled over the same period (see chapter 5); much of the trade in audiovisual products occurs in the form of rights transactions as the means for buying and selling creative content. The functioning of intellectual property markets both nationally and internationally depends on the existence of effective copyright regimes in the countries involved, allowing efficient collection and equitable distribution of copyright payments. Further details of international trade in creative goods and services as well as intellectual property and copyrights issues are presented in subsequent chapters of this Report.

1.3.2 | Social aspects

A major social impact of the creative industries is their contribution to employment. It should be noted that creative

industries are both knowledge intensive, requiring specific skills and high-level qualifications of their workforce, and labour intensive, especially those with a high concentration of creative inputs, as occurs, for example, in theatre or film production. The contribution of the creative industries to employment is usually significant; typically, they account for around 2 to 8 per cent of the workforce in the economy, again depending on the scope of the sector as defined. The job-creation potential of these industries can be important in policy terms. For example, strategies aimed at redeveloping depressed industrial regions in a number of countries have looked to the establishment of creative industries as an effective way to boost employment. Furthermore, it is sometimes noted that the quality of jobs generated by the creative economy may provide greater levels of employee satisfaction than more routine occupations because of the commitment and sense of cultural involvement engendered among participants in a creative endeavour.

In the United States, for example, the creative industries accounted for about 2.5 percent of total employment in 2003, with numbers being spread across the whole range of industries. The largest concentration of creative workers occurred among independent artists, writers and performers and in the publishing industry. Details are given in table 1.4.

Table 1.4 Workers in creative industries in the United States, 2003

Creative industries	No. of workers (000)	Proportion of workforce (%)
Advertising	429	0.3
Applied design	428	0.3
Architecture	296	0.2
Broadcasting	320	0.2
Film and video	142	0.1
Music production	41	0.0
Performing arts	159	0.1
Publishing	700	0.5
Visual arts	122	0.1
Other (a)	611	0.5
Total – creative industries	**3,250**	**2.5**
Total – all industries	**132,047**	**100.0**

Note: (a) Includes independent artists, writers and performers in creative industries.
Source: United States Census Bureau, quoted in the OECD study (2007:46).

Another important social aspect of the creative industries relates to their role in fostering social inclusion. At the grass-roots level, the creative economy includes cultural activities that can be important in linking social groups in communities and contributing to social cohesion. Communities that are plagued by social tensions and conflicts of various sorts can often be brought together through shared participation in cultural rituals. Initiatives such as community arts programmes build social capital by boosting

Box 1.5 Cirque du Soleil : A very simple dream

Cirque du Soleil® is an international company from Quebec dedicated to the creation, production and distribution of artistic works. Founded by Guy Laliberté in 1984, Cirque du Soleil was started with a group of 73 young artists and creative entrepreneurs with a shared spirit of offering its creators the freedom to dream the wildest dreams and make them come true. Today, the business has over 3,800 employees worldwide, including close to 1,000 artists, represents over 40 nationalities, and speaks 25 different languages. Cirque du Soleil's touring shows have made nearly 250 stops in over 100 cities around the world and more than 70 million spectators have seen a Cirque du Soleil show since 1984.

Cirque du Soleil is primarily a creative content provider for a wide variety of unique projects. The organization's mission is to invoke the imagination, provoke the senses and evoke the emotions of people throughout the world. Cirque du Soleil is a generator of new experiences, a laboratory and platform for creators. It is constantly researching new artistic avenues and innovating within the organization. In 2007, Cirque du Soleil presented 15 different shows around the world. The heart of its activity remains creating live shows and presenting them under big tops, in theatres or in arenas. Since 1984, close to 200 creators from the four corners of the globe have contributed their talents to this end.

Cirque du Soleil wants above all to take its place in society as a good citizen, with all the duties and responsibilities that go with citizenship. Since 1989, it has elected to give 1 per cent of its annual turnover to social and cultural programmes as a concrete expression of citizenship that goes beyond its business markets. Circus arts also offer young people the chance to open up, express themselves and use their marginalized status as a tool to make new links with a society that often excludes them. This is how Cirque du Soleil has developed its international expertise and leadership in social circus. Cirque du Monde® is one of the greatest sources of pride for Cirque du Soleil. Set in motion in 1995, this programme is now operating in association with partners in social and cultural action such as Oxfam International and Jeunesse du Monde to assist young people in more than 80 communities in more than 20 countries throughout the world.

Cirque du Soleil also remains an active member of the artistic community. It supports artists and artistic institutions in various ways and is involved in many cultural organizations. The company offers financial support to innovative projects created by emerging artists and artistic companies.

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the ability and motivation of people to become engaged in community life and inculcating skills that can be usefully employed in local creative industries. Furthermore, creative activity can be shown to be important for individual health and psychological well-being.

As many women work in the production of arts and crafts, fashion-related areas and the organization of cultural activities, the creative economy can also play a catalytic role in promoting gender balance in the creative workforce, particularly in developing countries. It can also facilitate greater absorption of some categories of generally marginalized talented workers involved in creative activities in the informal sector of the economy.

In addition, the creative economy has important relationships with the educational systems in both developed and developing countries. In schools, the role of the arts in forming children's social attitudes and behaviours is well recognized. In adult education, many possibilities exist for using education in culture and the arts to enhance understanding of society and its functions. There is a two-way relationship between the education system and the creative industries. On the one hand, education and training institutions are responsible for turning out individuals with the skills and motivation to join the creative workforce. On the other hand, the creative industries provide the necessary artistic and cultural inputs into the education system to facilitate students' education in the society in which they live and, in the longer term, to build a more culturally aware population.

1.3.3 | Cultural aspects

Whether the term "culture" is interpreted in an anthropological sense to mean the shared values and traditions that identify a community or a nation and bind it together or whether it takes a more functional sense to mean the practice of the arts, the creative economy as a purveyor of creative goods and services clearly has profound cultural implications. Perhaps these effects are best summarized by the proposition that cultural activities give rise to both economic and cultural value; it is the latter that provides the distinctive contribution that these products make to individuals, to the economy and to society. From a policy perspective, the generation of cultural value alongside economic value from the operation of the creative industries is relevant because it serves the cultural objectives of society, which stand alongside the economic objectives of a government and are reflected in the broad-ranging reach of its cultural policy. The cultural value of identity is especially important here, whether understood at the level of a nation, a region or a city, town or village or whether it is expressed in terms of some other grouping.

Diversity is a cultural dimension of the creative industries that has become more prominent in recent years. As processes of globalization continue, the value of cultural diversity has been more sharply defined and the role of the creative industries in promoting it has been more clearly understood. The Universal Declaration on Cultural Diversity adopted by UNESCO in 2001 sees diversity as being embodied in the "uniqueness and plurality" of the identities of various societies and groups, a common heritage of humankind. Since culture itself is intrinsic to the realization of human aspirations, it is argued that cultural diversity will be an important factor in promoting economic, social and cultural development. These sentiments were in turn given substance in the Convention on the Protection and Promotion of the Diversity of Cultural Expressions mentioned earlier, where the cultural industries are specifically identified as essential to the achievement of the benefits of cultural diversity in developed and developing countries alike.

1.3.4 | Sustainable development

The creative industries also contribute to sustainable development. It is becoming increasingly recognized that the concept of "sustainability" has a larger scope beyond simply its application to the environment. The tangible and intangible cultural capital of a community, a nation or a region of the world is something that must be preserved for future generations just as natural resources and ecosystems need to be safeguarded to ensure continuation of human life on the planet. Cultural sustainability implies a development process that maintains all types of cultural assets, from minority languages and traditional rituals to artworks, artefacts and heritage buildings and sites. It is the creative industries that provide the services and the investments necessary for culturally sustainable development paths to be followed.

Furthermore, creative industries are environmentally friendly. Since the primary input for creative activities is creativity rather than natural resources as in the case of mining or land in the case of agriculture and the production of creative products is usually less dependent on heavy industrial infrastructure, policies for enhancing creative capacities are in principle compatible with objectives of environmental protection.

1.4 The cross-cutting nature of creative industries

1.4.1 | Need for concerted interministerial policies

The creative economy extends into a wide range of areas of political responsibility and government administration. Although many governments have set up specific ministries, departments or specialized units to deal with the creative industries, almost all areas of government policy have some sort of interaction with these industries, including in the following fields:

- *economic development:* as noted above, creative industries can be a significant contributor to national economic growth, making them a focus of interest on the part of treasuries, ministries of finance and planning departments;
- *trade:* creative goods and services comprise an important element in the international trade of most countries and thus come under the policy surveillance of ministries of trade, foreign affairs and international relations;
- *regional growth:* the creative sector may be a specific target for development strategies in the context of regional economic planning;
- *labour:* as noted earlier, the employment effects of the creative industries are significant, making them an area of interest in labour-market policy;
- *domestic and foreign investment:* private investment in creative industries may be encouraged or channelled in certain directions by specific fiscal or regulatory measures;
- *technology and communications:* given the importance of new communication technologies to the growth of the creative

Box 1.6 Economics of the museum district of Paris

The economic spin-offs from museums are important. They are even more significant in the big cities, such as Paris.

In 1998, nearly 12 million tourists came to Paris for various reasons: cultural, business, and recreational, among others. "Museum tourists" were defined within this group as those visiting at least three museums or similar institutions. Given the difficulty of identifying these visits when admission is sometimes free, two hypotheses were constructed: a low hypothesis, according to which 2.98 million tourists had visited the museums of the Louvre, Versailles and La Villette or Orsay, and a high hypothesis, according to which 4.2 million tourists had visited the Eiffel Tower, the Louvre and Versailles (Greffe, 1999).

These tourists behaved differently depending on whether they were French or foreign. They did not spend the same number of nights in Paris.[1] In addition, their daily spending patterns were not the same: a French tourist was assumed to spend on average €121 a day for accommodation, transportation and entrance fees while a foreign tourist would spend around €151, with substantial differences from one person to the next.[2] From this, we derived overall spending of €1.17 billion under the low hypothesis and €1.62 billion under the high hypothesis.

We then had to apply a multiplier coefficient to take account of the effect of this spending on the incomes of hotel, museum and transportation workers since these incomes would be spent and passed on through other economic sectors successively. For this purpose, we selected Myerscough's multiplier coefficient for London (1.4) as one of the most plausible. Total spending, then, was €1.64 billion under the low hypothesis and €2.26 billion under the high hypothesis.

It was then necessary to add in the spending on souvenirs or luxury goods that, because they are not generally produced in Paris, would not have a multiplier effect on the immediate territory but might contribute to creating jobs elsewhere in the country. Based on the same surveys, we assumed average souvenir spending of €45.45 for a French tourist and €75.75 for a foreign tourist. This resulted in total spending of €1.84 billion under the low hypothesis and €2.64 billion under the high hypothesis. If the cost of creating one job in the services sector is around €40,000, this amount represents a total of 43,000 jobs created or maintained. If we take a lower figure (€30,000) as the cost for creating a service job, the figure for employment created or maintained is 86,000. The first figure seems considerably more plausible since we must first deduct from this total spending the amount spent on materials.

The bottom line from this type of analysis, which relies on many hypotheses, each of which reduces the reliability of the final outcome, is that the amount of this spending and the number of jobs created are very significant.[3]

[1] On average, two nights for the first group and three nights for the second. The amount of their daily spending varied with their country of origin. The French/foreign split among tourists was 30 per cent/70 per cent: under the low hypothesis, there were 6.3 million foreign-tourist overnights and 1.8 million French-tourist overnights, and under the high hypothesis, the respective figures were 8.6 million and 2.6 million.
[2] Higher spending by Americans and Japanese offset by far the lower spending of tourists from developing countries.
[3] In this particular case and for the particular year in question, this amount was higher than total government spending on heritage throughout France, and the number of jobs was nearly double that in the publicly assisted hospitals of Paris.

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sector, the regulation (or deregulation) of telephone services, the Internet, broadband, satellite communications, etc., all have important implications for the creative industries;

- *culture:* the core functions of the creative arts are frequently supported by governments in pursuit of both economic and cultural objectives;
- *tourism:* as noted earlier, in a number of countries, there is a close association between the creative industries – particularly the performing and visual arts and the provision of heritage services – and the contribution of tourism to the economic viability of towns, cities and regions;
- *social affairs:* policies dealing with poverty alleviation, social tensions among minorities, youth and gender issues can be tackled through the creative economy;
- *education:* vocational training for the workforce of the creative industries is a matter of increasing interest as the industries expand and evolve. The more general aspects of arts in education are also relevant, as discussed earlier.

1.4.2 | Need for dialogue with multiple stakeholders

In addition to the cross-cutting nature of political and administrative responsibilities, there is also a similar multiplicity of levels of involvement if one looks at the various sectors of the economy with which the creative industries are engaged. Individuals and organizations involved in cultural activities and active in the creative economy operate in the following areas:

- the public sector (public cultural institutions such as museums, galleries, public service broadcasting organizations, etc.);
- the for-profit private sector (a wide range of commercial operations in all fields of culture and creative production and distribution);
- the non-profit sector (theatre and dance companies, festivals, orchestras and other music ensembles, craft cooperatives, etc., some of which may receive government financial incentives); and
- civil society (advocacy non-governmental organizations (NGOs), foundations, academia, artistic and creator's professional associations, sectoral organizations, etc.).

1.4.3 | Need for institutional mechanisms

The multidimensionality and cross-cutting nature of the creative industries mean that there is an inevitable tendency for policy strategies to become fragmented. If this leads to the application of piecemeal measures, there may be a danger that the policy strategies are contradictory in their impact. It is clear that an integrated approach towards enhancing the creative industries and hence the creative economy is needed in policy-making. This approach requires effective institutional mechanisms for coordination of policies across the various agencies with responsibilities in this area.

1.5 The creative economy in the developed world

There is no doubt that, whether viewed from a global or a national perspective, the creative economy – however it is defined – is growing, and growing rapidly. Data for the broadest conceptualization of the creative economy show that in the 1990s in OECD countries, it grew at an annual rate that was more than twice that of the service industries overall and more than four times that of manufacturing.[22] For the creative sector more narrowly defined, statistics on output growth in a number of countries over the past 5, 10 or 15 years show a similar pattern.

In the period 1997-2004, output of the creative industries in the United Kingdom, measured as value added, grew at 5 per cent per annum compared to 3-per cent growth for the rest of the economy (DCMS, 2006). Employment growth was also substantial. In the United Kingdom, employment grew approximately twice as fast in the creative sector as elsewhere over the last decade, while in the cultural sector of Europe as a whole, the average number of employed persons grew by about 3 to 5 per cent annually in the period from 1995 to 2000, with significantly higher rates of growth in some countries (Wiesand and Sondermann 2005:9), pointing again to generally stronger employment growth in the creative industries than elsewhere in the economy.

In many advanced economies, the creative economy is

[22]Howkins (2001:xvi).

Table 1.5 Contribution of the European cultural and creative sector to the European national economies

	Turnover, 2003 (all sectors included) (€ million)	Value added to national GDP (all sectors included) (%)
Austria	14,603	
Belgium	22,174	1.80
Cyprus	318	2.60
Czech Republic	5,577	0.80
Denmark	10,111	2.30
Estonia	612	3.10
Finland	10,677	2.40
France	79,424	3.10
Germany	126,060	3.40
Greece	6,875	2.50
Hungary	4,066	1.00
Ireland	6,922	1.20
Italy	84,359	1.70
Latvia	508	2.30
Lithuania	759	1.80
Luxembourg	673	1.70
Malta	23	0.60
Netherlands	33,372	0.20
Poland	6,235	2.70
Portugal	6,358	1.20
Slovakia	2,498	1.40
Slovenia	1,771	2.00
Spain	61,333	2.20
Sweden	18,155	2.30
United Kingdom	132,682	2.40
Bulgaria	884	3.00
Romania	2,205	1.20
Norway	14,841	1.40
Iceland	212	3.20
Total European Union (25 countries)	**636,146**	0.70
Total 30 countries*	**654,288**	

* The countries covered by the statistical analysis include the 25 Member States of the European Union plus the two countries that joined in January 2007 (Bulgaria and Romania) plus the three European Economic Area countries of Iceland, Norway and Liechtenstein.
Source: Eurostat and AMADEUS/Data elaborated by Media Group.

now recognized as a leading sector in generating economic growth, employment and trade. In Europe, the creative economy generated a turnover of 654 billion euros in 2003, increasing 12 per cent faster than the overall economy and employing about 4.7 million people.[23] In the United Kingdom in 2004, the creative industries contributed 8 per cent of gross domestic product (GDP) and generated nearly 2 million jobs. Denmark is another remarkable example where the creative economy accounted for 5.3 per cent of GDP, providing 12 per cent of total jobs and 16 per cent of total exports.

The creative industries contribute to output, value added, income and the balance of payments. Typically, these industries have contributed somewhere between 2 and 6 per cent of GDP, depending on the definitions used. For example, the cultural sector provided about 3.5 per cent of GDP in Canada and almost 6 per cent of gross value added (GVA) in the United Kingdom, as shown in table 1.6.

This chapter has been concerned primarily with the evolution of the basic concepts involved in any consideration of the creative sector. This final section turns from concepts to practice and considers some more detailed empirical evidence for some of the propositions discussed earlier.

Some representative data are shown in tables 1.6 to 1.8. Table 1.6 shows the contribution of the cultural industries to GDP or GVA for five countries in various years. Table 1.7 indicates the contribution of the cultural sectors of eight European countries to the economy. It should be noted that in four of the eight countries shown, the creative industries contributed more than 5 per cent of GVA, and in two countries, they contributed 10 per cent or more of employment.

Comparisons with other sectors of the economies concerned are shown in table 1.8 and table 1.9 on developed economies.

[23] See *The Economy of Culture in Europe*, study prepared for the European Commission by Kea, European Affairs, Brussels, 2006.

Table 1.6 Contribution of the cultural industries (a) to GDP or GVA for five countries, various years (b)

Country	Reference year	Currency	Aggregate measured	Contribution of cultural industries	
				Value (millions)	% of GDP/GVA
Australia	1998–99	$A	GDP	17,053	3.1
Canada	2002	$Can	GDP	37,465	3.5
France	2003	€	GVA	39,899	2.8
United Kingdom	2003	£	GVA	42,180	5.8
United States	2002	$US	GVA	341,139	3.3

Notes: (a) Industries included: Advertising; architecture; video, film, photography; music, visual arts, performing arts; publishing, print media; broadcast media; art and antiques trade; design, including fashion design.
(b) For qualifications to the interpretation of these data, refer to source.
Source: Gordon and Beilby-Orrin, *International Measurement of the Economic and Social Importance of Culture, OECD* (2007:54).

Table 1.7 Contribution of the cultural sector to the national economies of eight European countries, various years (a)

Country	Reference year	Contribution of the cultural sector to:					
		Turnover		Value added		Employment	
		€ billions	%	€ billions	%	millions	%
Denmark	2000–2001	23.4	7.3	8.3	5.3	0.170	12.0
Finland	2004–2005	12.6	n.a.	4.3	3.8	0.086	3.2
Latvia	2004	0.8	n.a.	0.3	4.0	0.041	4.4
Lithuania	2002	0.6	n.a.	0.04	0.2	0.057	4.0
Netherlands	2004	8.4	n.a.	n.a.	n.a.	0.240	3.2
Poland	2002	8.7	n.a.	17.3	5.2	n.a.	n.a.
Sweden	2000–2001	n.a.	n.a.	17.1	9.0	0.400	10.0
United Kingdom	2001	165.4	n.a.	85.0	6.8	1.300	4.3

Note: (a) Industries included differ significantly among countries. For further details and qualifications to the interpretation of these data, refer to source.
Source: KEA, European Affairs (2006:33-34).

Table 1.8 Comparison of contribution of creative/cultural sector with contributions of other sectors for eight European countries (% of GDP) (a)

Country	Proportion of GDP contributed by:			
	Cultural and creative sector	Manufacture of food, beverages, tobacco	Real estate activities	Computer and related activities
Denmark	2.6	2.1	1.0	1.2
Finland	3.1	2.6	5.1	1.5
Latvia	3.1	1.5	1.8	1.5
Lithuania	3.4	1.9	1.8	1.3
Netherlands	2.5	1.6	2.6	1.4
Poland	2.7	2.2	2.3	1.4
Sweden	3.2	1.7	2.7	1.3
United Kingdom	3.0	1.9	2.1	2.7

Note: (a) Industries included in cultural/creative sector vary among countries. For qualifications to the interpretation of these data, refer to source.
Source: Eurostat and AMADEUS, quoted by KEA, European Affairs (2006:68).

Table 1.9 Estimates of the contribution of creative industries to GDP for five OECD countries

Creative industries	Australia 1998-1999		Canada 2002		France 2003		United Kingdom 2003		United States 2002	
	A$ millions	% GDP	C$ millions	% GDP	€ millions	% GVA	£ millions	% GVA	US$ millions	% GVA
Advertising	2,464*	0.50	2,856*	0.30	11,858*	0.80	5,000	0.70	20,835*	0.20
Architecture	788*	0.10	1,084*	0.10	2,524*	0.20	4,000	0.50	19,111*	0.20
Video, film and photography	2,397*	0.40	3,909*	0.40	5,155*	0.40	2,200	0.30	39,076*	0.40
Music & the visual & performing arts	952*	0.20	2,576*	0.20	3,425*	0.20	3,700	0.50	30,294*	0.30
Publishing/written media	6,590*	1.20	19,427*	1.80	11,283*	0.80	14,950*	2.10	116,451*	1.10
of which: printing	5,640*	1.00	na	na	4,851*	0.30	6,350	0.90	45,662*	0.40
Radio and TV (broadcasting)	3,474*	0.60	5,305*	0.50	4,878*	0.30	6,200	0.90	101,713*	1.00
Art and antiques trade	74*	0.00	1,082*	0.10	413*	0.00	500	0.10	195*	0.00
Design (including designer fashion)	313*	0.10	1,226*	0.10	363*	0.00	5,630	0.70	13,463*	0.10
Crafts	na*	na	na	na	na	na	na	na	na	na
Total	**17,053***	**3.10**	**37,465***	**3.50**	**39,899***	**2.80**	**42,180***	**5.80**	**341,139***	**3.30**
Total economy (GDP or GVA)	**542,831**	**100.00**	**1,069,703**	**100.00**	**1,434,812**	**100.00**	**732,395**	**100.00**	**10,469,601**	**100.00**
Libraries (includes archives)	792,2 #	…	1,236*	0.10	na	na	na	na	1,112*	0.00
Museums	716,4 #	…	550*	0.10	148*	0.00	na	na	3,294*	0.00
Heritage sites	na	na	672*	0.10	na	Na	na	na	508*	0.00
Electronic games	na	na	na	na	8,169*	0.60	20,700	2.80	129,636*	1.20

* = OECD estimate
# = income data

Caveat: These data are initial estimates and should be interpreted with extreme caution, bearing in mind that (a) they are based on national cultural industry typologies; (b) the contents of individual headings are different from one country to another; and (c) treatment of taxes such as the value added tax is not consistent across countries. In order to maintain consistency between the numerator and the denominator when calculating the percentages, the total GVA or GDP has been used as appropriate.
Australia: Data are OECD estimates derived from output by product and by industry data presented in the Australian Bureau of Statistics (ABS), *Arts and Culture in Australia: A Statistical Overview.* Ratios of value added to output were derived from various ABS Service Industries Surveys available on the ABS website.
Canada: Statistics Canada estimates at www.statcan.ca/english/freepub/87-008-GIE/them/economiccont.htm. These are updates to the tables presented in Statistics Canada, *Economic Contribution of Culture in Canada*, December 2004 (Catalogue no. 81-595-MIE – no. 023) also available on the Statistics Canada website. The category "Support activities" used in the Canadian framework has been distributed proportionally across the other sectors.
France: Data are OECD estimates. They were derived from National Institute for Statistics and Economic Studies (INSEE) turnover data, supplied by the French Ministry of Culture and Communications, by applying value added to turnover ratios taken from INSEE and OECD data. Total GVA has been taken from INSEE national accounts data.
United Kingdom: UK DCMS estimates are based on United Kingdom Office for National Statistics data taken from the DCMS *Creative Industries Economic Estimates Statistical Bulletin*, October 2005 - Revised Version at www.culture.gov.uk/global/research/statistics_outputs/creative_industries_eco_est.htm. The table departs from the equivalent DCMS table in that the activities of the printing industry have been added to "Publishing" and the "Total of above". This has been done to enhance cross-country comparability.
United States of America: Data are OECD estimates. They were derived from Bureau of Economic Analysis and United States Bureau of the Census data. These estimates should be used with particular caution given the number of assumptions applied in their preparation.

Source: Gordon and Beilby-Orrin, *International Measurement of the Economic and Social Importance of Culture,* OECD (2007).

CHAPTER 2

The development dimension

Most of the attention in the debate about the creative economy around the world has been paid to developed economies, where creative industries are well established and where participation in global markets for creative products is strong. In developing economies, however, the situation is more nuanced. Asian countries, led by China, have experienced rapid growth in creative capacities and have benefited from greater competitiveness of these creative goods and services in world markets over the last decade. By contrast, in other areas of the developing world, the creative economy has not been able to realize its full potential and the poorest countries remain marginal players in world markets for creative goods and services. Yet there exists a wide range of creative talent in developing countries and significant levels of intangible cultural capital such as traditional and cultural expressions on which to draw in producing creative goods and services for domestic and international markets. This chapter reviews the development dimensions of the creative economy, looking at the economic and cultural linkages and their implications and then surveying the state of the creative economy in regions of the developing world.

The analysis is presented in the context of the Millennium Development Goals (MDGs) since they represent the international policy environment within which national strategies for advancing the creative economy in developing countries are expected to be implemented. Chapter 9 will further elaborate on the multilateral processes and ongoing policy action under implementation by United Nations bodies and the international community pursuant to the Millennium Declaration.

2.1 Policy implications: The Millennium Development Goals

The MDGs are an expression of the overall international consensus for the global development agenda in the coming years. There are eight goals with specific time-bound targets to be reached by 2015. These goals are to: (1) eradicate extreme poverty and hunger; (2) achieve universal primary education; (3) promote gender equality and empower women; (4) reduce child mortality; (5) improve maternal health; (6) combat HIV/AIDS, malaria and other diseases; (7) ensure environmental sustainability; and (8) develop a global partnership for development.

The MDGs address development challenges not as a separate, but as an inherent, part of the global economy and societies. The goals encompass the holistic approach to development echoed in concepts such as the "human development index", "liveable societies" and "gross national happiness". The full realization of these goals necessitates innovative and cross-sectoral approaches to development and the serious consideration of issues such as culture, environment and social development.

The creative sectors of developing economies have significant potential to contribute towards the achievement of at least the following six specific components of the MDGs:

- *Poverty eradication and reduction of inequality.* The manifestations of a people's culture – the customs, rituals, artefacts, music and so on – permeate the daily lives of men, women and children and constitute a significant element in providing for their happiness and well-being. Any strategy that uses culture as a means of economic development and empowerment has the capacity to reach out to all members of a community and to affect their lives in some way regardless of their socioeconomic status. It follows that sustainable development of the creative

industries at the local level, especially if it targets the arts, creative activities and the growth of small business, will be capable of making an important contribution to poverty eradication and the reduction of inequality.

Contrary to more traditional, larger-scale industrial development, the business unit in the creative-industries sector is typically quite small, often comprising family businesses. This means that the product originates in many diverse units while the production is mostly on a small scale. In this respect, the creative industries are particularly suited to contribute to community regeneration and correspond well with the practice in more traditional societies. The creative industries not only offer the possibility of income-generation but they also provide opportunities for employment that are easier to reconcile with family and community obligations. The smaller business unit is also more closely affiliated to the informal economy and to the private-sector investment potential that are found in the poorer segments of the economy. It will therefore provide a more effective vehicle for targeted economic development initiatives whose focus is poverty alleviation.

- *Gender equality.* The production of creative goods and services provides many opportunities for women to participate in creative activity that yields both economic and cultural rewards. It can be seen, therefore, that a development strategy involving the creative industries is likely to advance the MDG of enhancing equality in economic and social opportunity for women in developing economies.
- *Sustainable development strategies.* The integration of culture into strategies for moving the economies of developing countries onto a sustainable development path is clearly served by promotion of the creative industries. As already observed, one of the most attractive attributes of these industries is their potential for linking economic with cultural development in a way that can not only generate substantial economic rewards but also yield significant cultural payoffs by stimulating creativity and civic engagement, advancing cultural awareness and promoting the benefits of cultural diversity.
- *Global partnerships for development.* One of the key prospects for advancing the achievement of the MDG concerned with encouraging international cooperation to assist the developing world lies in a willingness of developed countries to take positive steps to expand their imports of creative goods from Southern countries. A number of avenues exist for such cooperation, including cultural exchanges of various sorts, especially when the exchanges function as a prelude to opening up opportunities for cultural trade. Furthermore, it is not only North-South partnerships that are implicated here; there are significant prospects for South-South cooperation in the creative-economy field as well.
- *Strategies for the social inclusion of youth.* It has been found that the arts and cultural activity can be used successfully as a means of engaging in productive work young people who would otherwise be unemployed and perhaps at risk of antisocial conduct. Creative work can provide a sense of purpose in otherwise seemingly futile lives, and engagement in artistic production of various sorts can raise self-esteem and social awareness. In this respect, the fostering of locally based creative industries may provide productive opportunities for young people and, in rural areas, help to discourage the drift to the cities that so often contributes to the problem of marginalized youth.
- *Spreading access to new communications.* As noted above, development of the creative economy is strongly associated with new communication technologies. Hence as the creative industries expand in any country or region, so also do capabilities for using such technologies not just in those industries themselves but also more widely. Fostering the creative industries can thus be seen as consistent with the MDG target of making the benefits of new technologies, especially ICTs, more generally available in the developing world.

An example of the way in which development strategies can contribute to the achievement of MDGs is provided by the Creative Industry Development Framework in the Gauteng province of South Africa. This framework makes explicit the contribution of the creative industries to social development goals such as community participation in cultural activities; regional integration across Africa; poverty alleviation, particularly in previously disadvantaged communities and among the youth; and public-private partnerships in community-based cultural programmes such as indigenous dance and music, carnivals and festivals.

2.2 The creative economy: Linkages and development implications

The approach advocated in this Report differs from, yet complements, that of "culture and development". The creative-economy perspective stresses the direct economic impact of cultural production, not simply its indirect effects on, for example, tourism. As a consequence of this added emphasis, care is needed in regard to policy objectives and evaluation. In particular, it must be recognized that policies involving culture and the creative economy may have different types of outcomes; some may even include competing priorities. Thus, it is important that policy objectives be clear and not overly ambitious in their claims so that they can be fairly evaluated.

Economic imbalances and social inequalities remain visible challenges of the globalizing world despite the technological advances and the prosperity that have characterized the growth of the world economy in recent years. A number of developing economies have grown faster than developed economies over the last decade but not fast enough to narrow the absolute per capita income gap. Poverty remains an issue to be tackled not only in the least developed countries (LDCs) but also in many middle-income countries and economies in transition. How can these long-lasting challenges be overcome effectively?

The time has come to go beyond economics and look for a more comprehensive holistic approach that takes into account the realities and specificities of countries, recognizing their cultural differences, identities and real needs. It seems clear that the world needs to adapt to new circumstances by bringing issues relating to culture and technology into the mainstream of development thinking.[1] Development strategies must be updated to cope with far-reaching cultural, economic, social and technological shifts that are rapidly changing the world. Development models strictly based on conventional economic theories have failed to redress these asymmetries. Therefore, neo-liberal approaches should be revisited in order to reinforce policy coherence by introducing concerted multidisciplinary and multicultural policies.

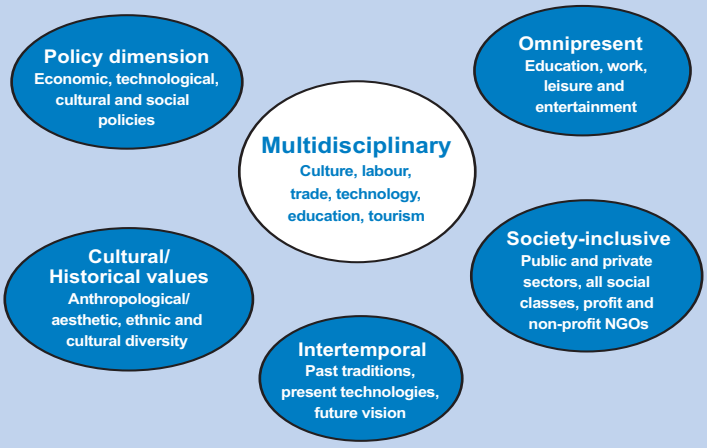
2.2.1 | Multifaceted aspects of the creative economy

The development dimension of the creative economy has complex interactions, as depicted in figure 2.1. A number of concepts are embedded in the dynamics of the creative economy. Furthermore, the policy framework of the creative economy is multidisciplinary in nature, ideally calling for integrated cross-cutting public policies requiring interministerial actions. Institutional mechanisms are needed to facilitate synchronized and mutually supportive economic, social, cultural and technological policies.

2.2.2 | Cultural and technological linkages

The creative economy is omnipresent in our daily life whether through education or work as well as in moments of leisure and entertainment. In the contemporary society dominated by images, sounds, texts and symbols, connectivity is influencing our attitudes and is an integral part of our lifestyles. In this regard, from the anthropological viewpoint, cultural and historical values are intertwined, forging the essence of cultural diversity so debated nowadays. Moreover, owing to its intertemporal nature, the creative economy is able to assimilate traditional knowledge from the past as well as current technologies. However, it also requires a forward-looking vision capable of reacting to the rapid economic, cultural and

Figure 2.1 Development dimension of the creative economy



Source: UNCTAD (Dos Santos, 2006).

[1] See E. Dos Santos, "The Creative Economy: Is It a Feasible Development Option?", 2008.

technological shifts that are taking place in our society but that are not always immediately perceived.

Emphasizing that human development requires more than health, education, a decent standard of living and political freedom, the UNDP *Human Development Report 2004*[2] makes a case for respecting diversity and building more inclusive societies by adopting policies that explicitly recognize cultural differences and multicultural policies.

2.2.3 | Social interactions

Social aspects are also influential in the formulation of policies to foster local creative economies with a view to maximizing positive spillovers on employment and promoting social inclusion and cohesion. In developing countries, particularly in the LDCs, the creative economy can be a tool to attenuate social tensions. Creative activities, especially those associated with arts and traditional cultural festivities, are conducive to the inclusion of usually excluded minorities. The creative economy can also facilitate greater absorption of marginalized youth; in many cases, young people are involved in creative activities in the informal sector of the economy. Moreover, as many women work in the production of arts and crafts, fashion-related areas and the organization of cultural activities, the creative economy also plays a catalytic role in facilitating gender balance among the creative workforce. The creative economy can also be considered society-inclusive: people from all social classes participate in this economy, in some cases as producers but always as consumers of different creative products on different occasions.

Another feature of the creative economy is that it brings together several segments of society such as those stakeholders involved in the public and private sectors as well as individuals with distinct interests – those in profit-making firms and non-profit organizations such as NGOs and civil society as a whole. The creative economy can serve as part of a more results-oriented development strategy for developing countries if appropriate concerted public policies are put in place.

2.3 Interface between traditional knowledge, arts and the creative economy

The foundation of the creative industries in any country is the traditional knowledge that underlies that country's distinctive forms of creative expression: the songs, dances, poetry, stories, images and symbols that are the unique heritage of the land and its people. This knowledge is kept alive by written, oral and pictorial transmission of cultural traditions from one generation to the next. Like any body of knowledge, it does not stay still but is constantly interpreted,

Box 2.1 South-South sharing of creative experiences

At the 2006 Pan-African Dance Festival held in Kigali, Rwanda, the UNDP Special Unit for South-South Cooperation sponsored the International Conference on Creative Economy for Development. The objective was ¨to promote the effective use of creativity as a source of wealth, a means of generating employment, and a significant factor in poverty reduction¨.

During this Conference, two NGOs from Africa, Maison des jeunes de Kimisagara from Rwanda and the Lake Victoria and Nyansa Creative Arts Association from Kenya, were invited to participate in a partnership with a Brazilian NGO, Ação Comunitária do Brasil do Rio de Janeiro (ACB/RJ), to develop a pilot experience based on the creative-economy principle of sharing experiences in order to put into practice what had been discussed.

Principal goals of the partnership

The partnership aimed to: undertake socio-cultural exchanges; create products and services that value and promote culture, the creative economy and innovation; explore the possibilities of selling the goods and services on local and international markets in the context of fair trade; implement long-term relationships between Southern countries in light of the work of the UNDP Special Unit for South-South Cooperation on the agenda of the creative economy for development; improve the quality of life of many people living in developing countries; and contribute to preserving and protecting the cultural heritage of developing countries.

[2] *Human Development Report 2004: Cultural liberty in today's diverse world*, UNDP, New York. Available at: http://hdr.undp.org .

Box 2.1 continued **South-South sharing of creative experiences**

Selected NGOs

Ação Comunitária do Brasil do Rio de Janeiro (ACB/RJ)

Ação Comunitária do Brasil do Rio de Janeiro (ACB/RJ) was founded 41 years ago to promote and defend the rights of thousands of socially, economically and culturally excluded Brazilians. It focuses mainly on children, youth and their families who are in situations of vulnerability and/or personal and social risk, especially teenagers, young adults, women and Afro-Brazilian citizens. ACB/RJ undertakes socio-educational activities, including training workshops and projects aimed at the achievement of professional qualifications, providing space for educational formation, work and income-generation. Such initiatives, which help to prepare individuals for entry into the labour market, adhere to the principles of fair trade and are oriented so that they provide visibility and value to local culture. In order to scale up and provide greater reach for its activities, the NGO has developed a strategy of working in a series of networks, identifying specific organizations and social movements so as to establish partnership arrangements.

Lake Victoria and Nyanza Creative Arts Association (LAVINCA)

Created in 1999, the objective of LAVINCA is to promote and create awareness of Kenyan arts and culture. Its programme includes projects that aim to bring poor artists together and offer an opportunity to share ideas and experiences. The association also was created to tackle social issues that affect the youth of Kenya such as dropping out of school and poverty, and it intends to put in place mechanisms that will improve their quality of life. The NGO itself specializes in batik work, visual arts, sculpture (carving) and ornaments.

Maisons des Jeunes de Kimisagara (MJK), Rwanda

The Ministry of Youth, Culture and Sports of Rwanda, in collaboration with the National Youth Council, decided in 1999 to create a centre that would help the youth of Rwanda to tackle various issues that they face on a daily basis, such AIDS, poverty, teen pregnancy and dropping out of school. The centre, Maison des Jeunes de Kimisagara (MJK), has a youth council named Giramahoro, which means "Have peace". As of October 2006, this NGO had created partnerships with over 60 youth associations comprising various sports teams and different cultural troupes. In addition, it intends to support cultural exchanges among the youth of Rwanda nationally and regionally.

Partnership exchanges

Three artists from the National Ballet of Rwanda and connected with MJK spent two weeks in Rio de Janeiro in November 2006 on an exchange programme of music and dance. The ACB/RJ cultural group chosen for the exchange was Kina Mutembua, which seeks to rescue and give value to Afro-Brazilian culture, especially banto manifestations. Its work integrates music, Afro dance and capoeira and includes the Orchestra of Berimbaus.

At the same time, ACB/RJ and two artists from LAVINCA from Kisumu, Kenya, spent 15 days exchanging experiences in the areas of fashion and style. During this period, the group developed images that were used for the conception of articles of clothing, decoration and stationery and exchanged information on silk-screen and batik techniques.

Principal achievements of the partnership

On 26 November 2006 following oral presentations, an art exhibit and a spectacle organized by the three NGOs – ACB/RJ, LAVINCA and MJK – were presented to the public attending the World Cultural Forum in Rio de Janeiro and the International Conference on Creative Economy for Development that was taking place in the same auditorium. The spectacle consisted of 45 minutes of choreography rich in music and percussion and including a mix of Rwandan and Afro-Brazilian dances performed by members of the Rwandan National Ballet and the ACB/RJ Berimbaus Orchestra. The mixture of Brazilian songs and dances with the Rwandan drums called ingoma demonstrated that culture is a uniting force that can bring together in harmony different people from different places and cultures and create a thrilling performance. The Kenyan team, in collaboration with the Brazilian artists from ACB/RJ, has produced over 300 creative items using tie-dye, batik and silk screening techniques, some of which were presented at the same Forum. In January 2007, this pilot experience was also presented at the World Social Forum in Nairobi.

Hopes for the future

ACB/JR hopes that this initial contact with African artists from Kenya and Rwanda will trigger a series of concrete activities and measures that will open markets for creative-economy goods and services in Africa and vice versa, strengthening the ties of friendship and cooperation between continents with so many similarities, differences and idiosyncrasies. The NGOs involved believe that it is fundamental to view initiatives of cooperation similar or identical to this one as stages in an irreversible process where new schemes follow old ones. This would give continuity to a process of cultural exchange, social insertion and formation of fair markets integrated by aware consumers. These NGOs thus consider this partnership as an initial, yet important step on a long path that ultimately will consolidate the creative economy as a strategy for attaining the desired goal of sustainable human development.

By Arnold Juma, Kenya; Erik Musanganya, Rwanda; and Marilia Pastuk, Brazil.

reinterpreted, augmented and adapted to new formats. It is accessed by the people in many different ways, serving as a rich cultural resource from which a wide variety of creative expressions can be derived. Some of these are routine and everyday in nature, such as traditional styles and patterns of clothing; other cultural expressions are created and interpreted by artists using both traditional and modern skills to produce music, works of art, literature, performances, arts and crafts, and so on.

Altogether the transformation of traditional knowledge into creative goods and services reflects something significant about the cultural values of the country and its people. At the same time, the goods and services are also likely to have economic potential; they may be demanded by local consumers or they may enter international marketing channels to satisfy demands from consumers in other countries. The essential feature of the creative industries, which link the traditional knowledge at one end of the chain with the ultimate consumer at the other end, is their capacity to serve both cultural and economic objectives in the development process. Chapter 6 will present a broader analysis of matters relating to intellectual property, including traditional cultural expressions.

The linkages between traditional knowledge, culture, art and the economy can be illustrated with reference to the sorts of cultural festivals that occur regularly in many developing countries in the Caribbean and Latin America. The carnival industries in countries such as Brazil, Colombia, Cuba, and Trinidad and Tobago, for example, have grown into significant contributors to the cultural and economic life of these countries. The carnivals provide for a concentration of live and recorded performance activity in music and dance that has considerable cultural significance for both domestic and international audiences. The festivals generate cultural value for local people who can enjoy their country's

Box 2.2 Brazilian carnivals

The simple mention of carnival takes us to Brazil. But, as the poet and Bahian essayist, Antonio Risério, affirms,[1] Brazil is not the "country of carnival" that is celebrated in the title of Jorge Amado`s famous novel, *O País do Carnaval*. Rather, it is a country of "many carnivals", as described in Caetano Veloso's song. This is because, beyond pervasive commonalities, the Brazilian carnival has multiple dimensions and distinctive manifestations in different cities. Thus, we must abandon the inexact idea of one "Brazilian carnival" and speak about the carioca carnival in Rio de Janeiro, the carnivals of Recife and Olinda in Pernambuco, and the Salvador carnival in Bahia, among others.

The carioca carnival, for example, is characterized by its appeal as a spectacle and its strong links to the tourism economy. Carnival in Pernambuco is strongly linked to traditional forms of popular expression. Distinctively, the Bahian festival is a large-scale, popular event characterized by cultural hybridizations, tradition and innovations. It has established itself since the late 1980s as the catalyst and backbone of a multifaceted economy. Therefore it provides an interesting case study that hints, on the one hand, of the economic dimension of culture as a stimulant of cultural production and dissemination and as an enabler of the development and establishment of artists. On the other hand, it delves into the cultural dimension of the economy as a catalyst for innovation, job creation and growth.

Bahia has always occupied a key place in the Brazilian cultural scene. The carnival frolics, with their *blocos*,[2] *afoxés*[3] and *trios elétricos*,[4] constitute an exuberant market of symbolic cultural goods and services that in the last 25 years has come to characterize Salvador. In the contemporary configuration of the Bahian carnival, mercantile practices co-exist with cultural expression in a creative economy that combines celebration with economic production.

Three important developments emerged in Carnival frolics in the last fifty years, culturally distinct and distant from one another in time. The first one is the birth of the *trio elétrico* in 1950. Inaugurating the popular participation that since then has characterized the Carnival of Bahia, the *trio elétrico*, also an excellent vehicle for advertising, became the first carnival enterprise. The second one is the 1970s resurgence of *afoxés*, particularly the emergence of *blocos afro*,[5] a new form of participation in the celebrations by the organized Afro-Brazilian youth that combines culture, politics and commerce, contributing to the exaltation of ethnic pride particularly within the Afro-Brazilian communities. The third phenomenon is the 1980s emergence of *blocos de trio*.[6] Placing ropes around the *bloco* privatized the *trio elétrico* since people pay to parade within the confines of the ropes dressed in the *abadás*.[7] This reintroduced a social hierarchy into the occupation of the public space, thus inverting the movement registered in 1950 when this same hierarchy was disarticulated by the emergence of the *trio elétrico*. On the basis of the repertoire created by the *blocos afro*, the *blocos de trio* favoured the birth of axé music, a musical style born at the Bahian carnivals that established itself throughout Brazil. When the *blocos de trio* organized themselves as enterprises and attained economies of scale, they transformed the Bahian carnival into a product with a reach further than the party and the city they animated. They exported the Bahian carnival model to dozens of Brazilian cities, notably stimulating a market around carnival.

Other elements contributed to the transformation of carnival into a great business. The various actions of private enterprises in the creative industries (recorders, publishing companies, radio stations, etc.), technological advances (of the *trio elétrico*, recording studios, etc.), an aggressive marketing campaign to promote tourism, and improvements in infrastructure are all elements that contributed to the growth of the Bahian carnival, its products and markets. Carnival showed enormous capacity to generate multiple products, including music, artists, organizations and the *trio elétrico*, which, in conjunction with the cultural industry, the leisure and tourism industry and the service economy of the city, developed immense and diversified business possibilities for job and income creation. The Bahian carnival transformed itself into a mega event, surpassing by far and in all aspects any other popular event in Brazil. A quick look at the statistics of the 2006 and 2007 carnivals presented in the following table illustrates this point.

Box 2.2 continued **Brazilian carnivals**

Indicators of the Bahian carnival, 2007

Indicator	Statistic
Duration	6 days
Estimated audience	900,000 people
Occupied urban space	25 km of streets/squares, 30,000 sq m of other spaces
Number of carnival groups	227 groups
Artists involved	11,750 people
Casual employment	131,000 jobs (97,000 from the private sector and 34,000 from the public sector)
Number of tourists	360,307 people (national); 96,401 (foreign)
Hotel occupancy	100%
Accredited press	2,531 professionals
Income generated by tourists	$94 million
Income turnover	$168 million
Public income from taxation	$3.2 million
Private income	$95 million
Public expenses	$27 million

Source: Emtursa, Relatório, 2006; Infocultura 2007.

As the magnitude of the figures above suggests, carnival demands led to a radical change in the way the Government and the private sector plan, manage, support infrastructure and equipment, and supply services to ensure carnival's success. Re-conceived as a strategic business by various public and private actors, the reconfigured Bahian carnival acquired great social and economic importance, expanding business opportunities for an array of productive agents.

In effect, the transformation of carnival into an economic phenomenon engendered many lucrative activities. The *blocos de carnival*, the biggest symbol of the carnival business, have evolved from simple playful clubs to profitable companies by capitalizing on the organizational and technological innovations acquired during the last 25 years of carnival celebrations. Today there are over 200 *blocos*, the largest employing as many as 2,000 people as musicians, dancers, waiters, drivers, security, electricians, carpenters, etc. and contracting third-party services for the construction of *trios elétricos*, the making of *abadás*, production of instruments, etc. The business portfolio of *blocos* includes countless activities linked to the production and commercialization of symbolic cultural products, such as the sale of *abadás*; sponsorships for the parade and other year-round, nation-wide shows; commercialization of food and drinks during the parade; business partnerships with singers and bands;[8] and franchises of the *bloco's* trademark.

The activities of the tourism economy (accommodation, transport, tour operation, gourmet, etc.) and of the cultural and leisure industry (show business, phonographic arts, publishing, radio broadcasting, etc.) benefit from the economic dimension of carnival. Street commerce is also invigorated. The *baianas de acarajé*, street vendors of all kinds of products, collectors of recyclable materials, car security guards, all thrive under the carnival economy, with seasonal workers in such categories numbering around 25,000 people in 2006.[9]

More could be elaborated on how the boom of the creative economy of carnival unleashed opportunities for people to escape poverty and on its diverse impacts, particularly on Salvador's social fabric. In the Bahian context of high levels of inequity and social exclusion, a regulatory role remains to be played in the multiplication and social distribution of the opportunities arising from the commercialization of carnival, particularly since carnival is, in essence, a cultural phenomenon. This poses a twofold challenge: safeguarding the symbolic, cultural meaning of this party for the soul of the city and its people so as to ensure the participatory, popular spirit of the Bahian carnival while at the same time unleashing, leveraging and capitalizing on the business that it represents.

[1] Risério, Antônio, Carnaval: As cores da mudança. Afro-Ásia, Salvador, Centro de Estudos Afro-Orientais da Universidade Federal da Bahia, no.16, pp.90-106, September 1995.
[2] The *blocos* are the groups of people who parade while singing and dancing. The origin of the *blocos* precedes the emergence of the carnival itself. Their probable ancestors were the groups of masked performers known as *cucumbis*, formed by black slaves who participated in the festivities of the *entrudo* in colonial society. Such groups paraded singing and dancing to the sound of their musical instruments, mainly satirizing the dominant white society.
[3] The *afoxés* are old carnival groups of the Afro-Brazilian communities explicitly linked with candomblé, an Afro-Brazilian religion.
[4] The *trio elétrico*, created by Bahians Dodô and Osmar in the 1950 carnival, is a platform, mounted on a truck equipped with giant speakers, on which musicians perform; people follow the trucks singing and dancing.
[5] The *blocos afro* that parade to the sound of great bands mainly composed of percussion instruments have been a symbol of the Bahian carnival since the 1970s. Among the most famous is the internationally known Olodum.
[6] The *blocos de trio*, a creation of the Bahian middle class, are characterized by their use of a *trio elétrico* inside the roped-off area.
[7] The *abadá* is a fancy costume used by the participants in the blocos.
[8] Intricately associated with the growth of the *blocos* is the artistic success achieved by the singers and musical groups who now occupy a leading place in the mercantile space of the carnival. Many simple *bloco* singers have entered the market with their own *blocos*, or have become co-owners of already existing *blocos*, or have set up their *trios elétricos*. Many have become great stars, creating their own producers, recording studios and publishing companies for the distribution of hundreds of thousands of records, and take part in the so-called "extemporaneous" carnivals, that is, festivities that are not organized exactly forty days before Easter as the Christian calendar requires but at any and all times during the year.
[9] Emtursa, ibid.

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traditional costumes, music, dance and rituals in an engaging communal context, and they project the cultural identities of the countries onto the international stage. The carnival industries also have a significant impact on the economies of these countries through the direct marketable output in live and recorded performances that they produce for sale to local people and tourists and through the indirect effects of expenditures of tourists whose visits have been stimulated by the presence of the carnival. There are also further economic spin-offs, for example in the development of skills of local artists and in the inculcation of business skills among the festival entrepreneurs.

2.4 Obstacles to the expansion of the creative economy

Despite encouraging prospects for the growth of the creative economy in the developing world, there are problems. Many opportunities for value creation, employment expansion, technological upgrading and market development in the creative sector have gone unrealized in developing countries because of obstacles such as lack of investment, lack of entrepreneurial skills and inadequate infrastructure to support the growth of the creative industries. As a result, access by Southern countries to the benefits of growth in the global creative economy has been limited at best. Indeed, there is a danger that when these countries are brought into international market networks by large transnational corporations, they will tend to be relegated to the lowest value-adding stages in the production chain. Some of the major difficulties facing the expansion of the creative economy in developing countries are discussed below.

Lack of capital

Businesses in the creative sector face capital rationing at all stages. Start-up financing is often difficult to access because of the uncertain prospects in markets for creative products; forecasting demand for creative goods such as films is generally more difficult than for more standardized products so public and private investors often look upon projects in these areas as too high-risk. Occasionally, firms have access to public investment assistance programmes, business incubators or private venture-capital sources. Nevertheless, difficulties in obtaining finance continue into the operational stages of creative businesses, when working capital is needed and funds for business expansion are also typically in short supply (see chapter 8).

Lack of entrepreneurial skills

The management of creative businesses requires specific skills in both the entrepreneurial and the artistic or cultural aspects of the business operation. In developing countries, skill-development programmes and vocational training courses can address these difficulties but progress tends to be slow. Furthermore, there is often a lack of understanding of the value chain in the creative industries and the roles and responsibilities of the players at each stage of the value chain. For instance, African artists who have successfully penetrated World Music and who have been recorded locally need intermediaries in order for their work to be distributed internationally, so the commercial value of their success is not necessarily retained within their countries. This lack of understanding extends not only to role-players within the industry but to the industry and government, where commercial goals and objectives of cultural policy collide over the purpose of the support and where role-players see themselves in competition with one another (see chapter 3).

Lack of infrastructure and institutions

The problem of lack of infrastructure and institutions relates particularly to gaps in the supply chain for inputs into creative processes, inadequacy of distribution networks for effective marketing of products, and lack of institutional support mechanisms. The problem extends to the regulatory environment within which the creative economy functions. For example, a sound legal framework governing the writing and enforcement of contracts is needed for orderly business practice, and this may be lacking or ineffective in some countries. In particular, inadequacies in the recognition of IPRs for creative work present a major stumbling block. Without an effective copyright regime, creative producers are unable to receive equitable payment for their output and hence lack the financial incentive to continue in production. Although many countries in the developing world are making progress in establishing workable legislative arrangements for dealing with intellectual property, there is still a long way to go (see chapter 6).

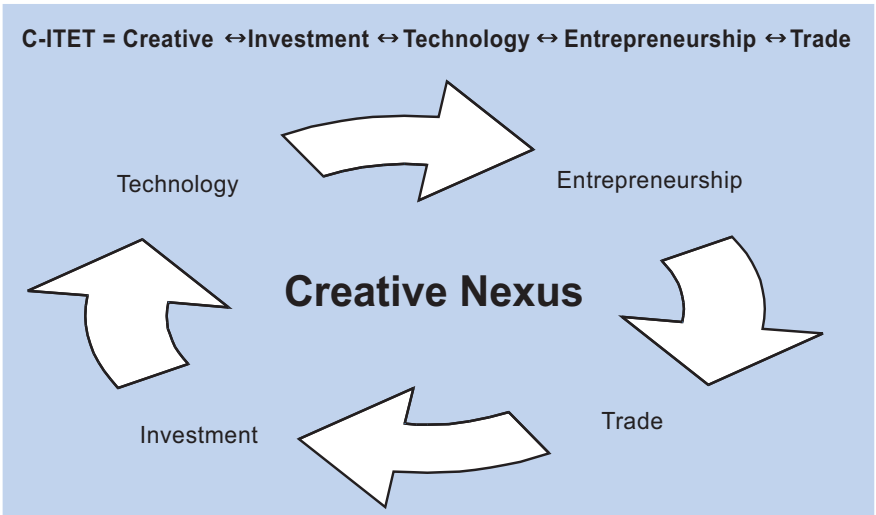
2.5 Shaping a model for enhancing the creative economy in developing countries

Against this background, the UNCTAD secretariat is developing an economic model to assist developing countries to optimize trade and development gains from the creative economy. The basic premise is the recognition that trade plays an increasing role in promoting socio-economic growth, employment and development. Trade alone, however, is a necessary but insufficient condition for strengthening creative capacities. On the one hand, the contribution of domestic and foreign direct investment (FDI) to capital formation is essential to induce technology-led innovation, artistic creativity and technical inventiveness. On the other hand, creative entrepreneurship can provide the basis for well-adapted and result-oriented market strategies.

Moreover, in order to positively influence export performance while enhancing creative capacities, effective cross-cutting mechanisms should aim at strengthening institutional and regulatory instruments, particularly to reinforce intellectual property regimes, competition law and fiscal policies. Such a framework can facilitate the following: better access to financing, including micro-credit for independent creative workers and micro enterprises; the formation of creative clusters for sharing know-how and infrastructure facilities; investment promotion and public-private partnerships; greater efficiency in the functioning of networks of local creative firms; and increased competitiveness of creative products and services in global markets. In this schema, tailor-made capacity-building activities to improve entrepreneurial skills and trade- and investment-related policies are highly recommended.

The conceptual approach of this scheme is inspired by ongoing policy-oriented research in areas of competence of UNCTAD.[3] The model is in its embryonic stage, still requiring empirical analysis with a view to understanding how the economic and technological spillovers interact or, in other words, how the so-called "positive externalities" may occur in practice. It should also be recalled that creative industries comprise a vast and heterogeneous group of firms with distinct and usually flexible organizational structures specific to each creative subsector (see chapter 3). Certainly, the model is still a set of testable propositions requiring practical application to provide evidence for and validate these assumptions. Indeed, to date, little is known and there is insufficient robust evidence about the impact of the creative industries on the wider economy, particularly their spillovers into other segments of the economy.[4]

Figure 2.2 The creative nexus: The C-ITET model



Source: UNCTAD (Dos Santos, 2007).

In this scenario, a pragmatic way to nurture creative capacities is to lay the foundation for putting in place a creative nexus. The starting point is to reinforce the nexus between creative ↔ investment, technology, entrepreneurship and trade, which is named the C-ITEC model (see figure 2.2).

The rationale is that effective public policies are likely to stimulate private-sector investments, attracting technologies and therefore leading to export-led strategies for creative-industry firms. These in turn would lead to greater convergence between macro and

[3] In July 2007, the Secretary-General of UNCTAD set up the Ad Hoc Inter-divisional Task-Force on Creative Economy and Industries with a view to building on in-house expertise in the multifaceted aspects of the creative economy, such as development policies, trade, investment, technology and enterprise development.

[4] See *Creative Industry Spillovers: Understanding Their Impact on the Wider Economy*, a report prepared by Frontier Economics for the United Kingdom Department of Culture, Media and Sports, 2007.

micro policies as a result of better synergy among government interventions and business initiatives by enterprises, including by providing incentives for investments and mobilization of domestic resources. Sequenced and mutually supportive mechanisms would provoke a virtuous circle to optimize the impact of target investments in the most competitive creative industries, identified by a value-chain analysis. Investments, preferably FDI, would induce knowledge innovation or the use of more advanced technologies, particularly ITC tools, facilitating market penetration of creative products from developing economies in global markets. Creative entrepreneurship towards product-specific marketing strategies would complement the circle to improve export performance of creative products and services from developing economies in global markets.

The C-ITET creative nexus would ease the process of reconciling national cultural and social objectives with technological, industrial and international trade policies. The aim is not only to strengthen creative capacities but also to assist developing economies to leapfrog into high-growth subsectors of the creative economy by enhancing the competitiveness of their value-added creative products and services in world markets.

Trade is a key component in this model because in recent years, creative industries have been among the most dynamic sectors in the global trading system. The average growth rates of creative services are increasing faster than those of other more conventional services. While the growth rate of total world exports of services rose 12 per cent for the period 2000-2005, the performance of creative services increased much more rapidly: 22 per cent for advertising, 19 per cent for architectural services, and 16 per cent for audiovisual services (see general explanatory notes in the annex). It should be pointed out that, owing to the lack of other reliable economic indicators, the net trade balance of creative products and services is at present the only benchmark for identifying the dynamism of creative industries in world markets. Also, trade-related indexes are currently the only official quantitative indicators available at the global level to assist governments in comparative analysis and policy-making in this area.

Nevertheless, caution is needed to avoid arriving at misleading conclusions through exclusive reliance on an analysis of trade statistics for creative goods and services. It is obvious that exports figures alone do not capture the whole picture of the contribution of the creative industries to national economies. It is widely recognized that the greater part of creative/artistic revenues originates from copyrights, licences, and marketing and distribution of digitized creative content, for which disaggregated, reliable and comparable data to enable analysis at the global level are key elements.[5] Chapters 4 and 5 provide more evidence on this topic.

Furthermore, in the absence of consistent internationally comparable quantitative indicators for mapping and measuring the economic, social and cultural impact of the creative industries and hence the creative economy at the national and international levels, trade statistics are used for trend analysis despite their lacunae. A number of trade-related indicators relating to export performance such as market share, net trade, growth rate and per capita exports by GDP are possible benchmarks that can be calculated on the basis of national trade statistics, as shown in the annex. In this regard, UNCTAD has undertaken empirical research with a view to identifying the components for a trade and development index[6] in order to assist governments in the formulation of international trade policies. The level of trade openness and market access can be measured through indices of product diversification and product concentration as well as indicators relating to trade liberalization such as tariff barriers and non-tariff barriers. These more complex issues are beyond the scope of this study.

2.6 The creative economy in the developing world and transition economies

This section provides an overview of the creative industries in the following regions of the developing world: Africa, Asia-Pacific, Central Asia and the Middle East, Latin America, and the Caribbean. It also looks briefly at the creative economy in those Eastern European economies in transition for which some data are available.

[5] Presentation by E. dos Santos, "Capturing the Creative Economy in Developing Countries", at the OECD seminar on "Measuring the Impact of Culture in the Economy", Paris, 2006.
[6] For a comprehensive analysis, refer to the UNCTAD publication, "Developing Countries in International Trade – 2006 Trade and Development Index" (UNCTAD/DITC/TAB/2006/1), Geneva, 2007.

2.6.1 | Africa

The creative industries in Africa are generally fragmented. As a consequence, the cycle of production, marketing and distribution is not complete. Despite the profusion of talent on the continent as well as the richness of cultural tradition and heritage, there has been limited commercialization of African cultural and artistic creations on both the domestic and foreign markets.

This situation is problematic as it could lead to the gradual impoverishment of the cultural heritage of African countries. In the absence of a secured decent income, it is not surprising that talented people are not attracted by a career as artist, musician, filmmaker or craft worker and that the leakage of talent from developing economies is severe. Without development of the industries that support this talent in these economies, there is every reason to assume that this trend will continue. The International Labour Organization (ILO) study on crafts and visual arts found that global trends define how visual artists see themselves, with international recognition being the ultimate mark of success. Artists from southern Africa are keen to work abroad and "do not validate their own context as much as their perceived idea of working conditions abroad".[7]

In the poorest countries, the majority of cultural production takes place in the informal economy and can typically be the only form of income-generation for entire communities.[8] Even in more sophisticated markets, it is difficult to break out of the informality into the established

Box 2.3 Africa Remix: Africa speaking loudly, brightly and colourfully

"Africa Remix: Contemporary Art of a Continent" is the first exhibition to provide a comprehensive overview of present-day artistic activities on the African continent and in the diaspora. It features artists from countries across the African continent, from Algeria to South Africa, as well as from African artists now living in Europe and North America. All the work has been created within the last 10 years and includes painting, sculpture, installation, photography, film, drawing, design and video. The exhibition provides an entry point into modern African creativity, dispelling oft-held perceptions of a continent focused on the past, stuck in ritual and tradition, and engulfed by poverty, disease and war.

Curated by Cameroon-born, Paris-based curator, writer and critic Simon Njami, the exhibition was launched in 2004 at the museum kunst palast in Dusseldorf, Germany, where it was considered to be the largest exhibition of contemporary African visual art ever held in Europe. It subsequently travelled to the Hayward Gallery in London, the Pompidou Centre in Paris, the Mori Art Museum in Tokyo and the Moderna Museet in Stockholm and, more recently, the Johannesburg Art Gallery in Gauteng, South Africa.

Njami's intention with the exhibition is to address the historical imbalances and inaccurate portrayal of the image of Africa that have been so prevalent in the past and to present an exhibition focusing exclusively on Africa by an African curator and now, most recently, to present it to African audiences. The artists represent themselves rather than their countries.

Africa Remix explores important contemporary themes relevant to Africa's heritage and cultural diversity: of city and land (the contrasting experiences of urban and rural life), identity and history (including issues of tradition and modernity and the relationship of the individual to the community) and body and soul (encompassing religion, spirituality, emotion and sexuality). It powerfully acknowledges the vastness and diversity that are Africa and the wealth of her stories. Current global relationships, however, dictate that many of the interactions of each African country with the continent are brokered by Northern centres of global influence. The current showing of the exhibition in the economic engine room of South Africa is set against the backdrop of a changing reality as the population of continental Africans in Gauteng grows rapidly. New connections are being made as communications and banking groups set up intercontinental partnerships and students move between academic institutions for research and study purposes. Foodstuffs are imported daily from West Africa into our urban markets.

The exhibition is not without its critics, however, particularly its emphasis on contemporary art rather than heritage and folk art. As Jonathan Jones of *The Guardian*[1] says, Africa Remix "uses 'contemporary art' in the way it is generally used, to mean art aware of modernism and its aftermath. But who defines 'contemporary art', and why should it matter more than, say, 'tribal' or popular art from Africa? And why should African art have to fit a sterile and middle-class western idea of the culturally pertinent?"

Perhaps this is precisely the point. Africa Remix represents an Africa that is vibrant, urban and modern, not only rural, voiceless and technologically backward. It is indeed a ground-breaking exhibition offering audiences not only a visual explosion of African imagery but also an opportunity to engage with its meanings and theory through sponsored seminars, guided walkabouts and a catalogue showcasing festivals, journals, institutions and movements that have shaped culture on the continent.

[1] Jonathan Jones, "Africa Calling", *The Guardian*, Wednesday, 9 February 2005. Available at: http://remixtheory.net/?p=116 .

By Avril Joffe, Director, CAJ (Culture, Arts and Jobs).

7 The Trinity Session, Promoting the Culture Sector through Job Creation and Small Enterprise Development in SADC Countries: Craft and Visual Arts, SEED Working Paper No. 51 (Geneva, ILO, 2003), p. 7. Available at: http://www.ilo.org/dyn/empent/docs/F785259428/WP51-2003.pdf .

8 Refers to a comment made by the Zambian Director of Cultural Services (housed in the Department of Social Development, 2001) referring to a community in the south of the country that used the straw to produce brooms, baskets for shopping and display.

industry. The value chain is simple (primary inputs combined to produce outputs sold directly to consumers); however, this does not translate into an industry where all aspects of the value chain are present.

In many African countries, for instance Nigeria, music plays an important part in daily life, rituals and commemorations; however, evidence of formal production and circulation of recorded music products is extremely limited. There is also little correlation between strong economic hubs and the existence of vibrant and economically viable and legal production and consumption of cultural products. While Dakar in Senegal, Cairo in Egypt and areas of South Africa, such as the province of Gauteng or the cities of Cape Town and Durban, are indeed places where production and consumption of a range of cultural goods and services takes place, other strong economic hubs such as Botswana have a dearth of cultural production. Yet economically distressed countries such as Mali, Mozambique, Rwanda or Zambia have significant production and consumption of cultural products such as music, dance, crafts and visual arts.

In regard to the music industry specifically, the focus is still largely on live performance rather than on either recordings or the protection of content through well-functioning IPR systems. In these circumstances, it is not surprising that creative talent gets attracted overseas. It is not only that there is often little recognition locally compared to the international star status that some of the African artists receive (for example, the internationally renowned Mozambican artist, Malangatana; the South African contemporary dancer, Robyn Orlin; or Youssou N'Dhour of Senegal). Also, local audiences are small and artists earn their main income from performances rather than copyrights. The creative industries of the developed world have drawn African talents to their centres of production and market places. Without enhancing the industries that support this creative talent in the developing countries, there is no reason to assume that this trend will not continue.

In an attempt to classify the music industry within African countries, research prepared for the UNESCO Global Alliance for Cultural Diversity developed a taxonomy based on stages of development of the music industry from "countries with emerging or previously established music industries" to "countries with embryonic music industries" and "countries where music production and consumption are undertaken on a craft-like scale". An established industry is one firmly based on a value chain comprising a recording industry with players at each stage. A live-performance industry with a vibrant live-music culture has performing artists, managers and agents, promoters, roadies, sound and lighting engineers, equipment rental and management as well as suitable venues. These two parts of the industry are served by an effective and supportive regulatory environment.

The study as presented in table 2.1 indicates that only seven countries in Africa have established performance industries and only two have an established recording industry. Most of the rest are embryonic, and in 30 per cent of all countries in sub-Saharan Africa, there is little evidence of a music industry. The table reveals that it is the live performance of music that is driving the music industry in sub-Saharan African countries. More importantly, in more than 35 per cent of these countries, there is a music industry; however, only two are classified in the "established recording industry" category: South Africa and Zimbabwe.[9]

The past ten years have seen the development of cultural policy around the continent and the inclusion of cultural issues in continental and regional forums such as the Organization of African Unity and the Southern African Development Community (SADC). Many countries across the continent do not have an explicit cultural policy, however, and those that do often lack the institutions or infrastructure to deliver on policy objectives. In addition, there is a disparity in the location of culture as a portfolio within government. Policy focus is primarily on heritage and preservation in response to historical factors and national identity while there is limited attention to contemporary culture, which tends to be left up to arts councils, with little attention paid to creative industries at a policy level. Indeed, these are common problems in most developing countries.

Nevertheless, countries in Africa have started to recognize the potential of the cultural sector to alleviate poverty and create jobs and have committed their governments to support these sectors. At a Ministerial Conference held in Mozambique in 2000 on the role and place of culture on the regional integration agenda, Member States of SADC agreed to "take decisive steps toward the promotion of cultural industries as a way of exploiting their capabilities to alleviate poverty, generate employment and contribute to economic growth".[10]

[9] Development Works, "Take Note! The (Re)naissance of the Music Industry in Sub-Saharan Africa", paper prepared for The Global Alliance for Cultural Diversity, UNESCO, Paris, 2004.
[10] Jabulani Sithole, "Culture Can Play a Key Role in Regional Integration", 15 December 2000. Available at: http://www.sardc.net/editorial/sanf/2000/Iss23/Nf2.html.

Table 2.1 Features of the African music industry

	Established industry	Emerging/ previously established industry	Embryonic industry	Craft-like scale	Unclear evidence of industry
Performance industry	Congo Democratic Republic of the Congo Kenya Mali Senegal South Africa United Republic of Tanzania	Botswana Burkina Faso Cameroon Equatorial Guinea Gambia Guinea Bissau Ivory Coast Madagascar Zambia Zimbabwe	Benin Cape Verde Central African Republic Ghana Mauritius Mozambique Namibia Uganda	Angola Gabon Malawi Niger Seychelles Swaziland Togo	Burundi Chad Djibouti Eritrea Ethiopia Lesotho Liberia Mauritania Rwanda Sierra Leone Somalia Sudan
Total	**16 %**	**24 %**	**17 %**	**16 %**	**27 %**
Recording industry	South Africa Zimbabwe	Cameroon Cape Verde Ivory Coast Kenya Madagascar Mali Mauritius Senegal United Republic of Tanzania Zambia	Benin Botswana Burkina Faso Central African Republic Congo Democratic Republic of the Congo Equatorial Guinea Ghana Guinea Bissau Malawi Mozambique Namibia Uganda	Gabon Gambia Niger Seychelles Togo	Angola Burundi Chad Djibouti Eritrea Ethiopia Lesotho Liberia Mauritania Rwanda Sierra Leone Somalia Sudan Swaziland
Total	**3%**	**26%**	**27%**	**11%**	**32%**
Average	**9%**	**26%**	**22%**	**14%**	**30%**

There is as yet no integrated coordinated framework for African cultural policy; as a consequence, the potential of the cultural market in Africa is not realized. To do so would require coherent multidisciplinary policies, determination in their implementation, financial and human resources dedicated to the creative sector, and an environment conducive to information and communication technologies (ICTs) and IPRs. The African Cultural Common Market is intended to be the framework for the reorganization and restructuring of the African cultural spaces and market. The African Union established the Economic, Social and Cultural Council (ECOSOCC) in March 2005 (with full establishment of the African Economic Community to take place only in 2025), which aims at strengthening the linkages between cultural, economic and social policies.

On the other hand, the cultural sector and the creative industries are gradually becoming an instrument for the achievement of broader development goals and are able to receive funding. In Africa, four countries – Ghana, Mali, Nigeria and Senegal – integrated culture into their Poverty Reduction Strategy Papers (PRSPs) as "major axes",[11] which has highlighted the contribution that the cultural sector can make to poverty reduction.

In the case of Ghana, emphasis is placed on the development and promotion of the music and film industries as potential sources of employment generation, wealth creation and skill development. The PRSP for Mali links culture with religion, social harmony and security as a major axis in the country's poverty reduction strategies. This is in recognition of the potential of Malian culture in promoting

[11] Burama Sagnia (2006), "Culture and Poverty Alleviation in Africa: A Review of the Cultural Effectiveness of Poverty Reduction Strategy Papers in West and Central Africa". The report was prepared for the ARTerial, Conference on Vitalizing African Cultural Assets, Gorée Institute, Dakar, Senegal, 5-7 March 2007. Available at: http://www.hivos.nl/english/english/arterial/background-materials.

traditional and religious values with a view to creating a climate of social harmony and security. In recognition of the tremendous potential of Nollywood, the home video film industry of Nigeria (see box 9.4), the Nigerian PRSP programme places culture as a major axis in the poverty reduction strategies. Senegal also recognized the potential value of crafts to the national economy and included it as one of the principal poverty reduction strategies.

In 2006, the Second Meeting of the African, Caribbean and Pacific (ACP) Ministers of Culture took place in Santo Domingo, Dominican Republic. The event, which gathered ministers from 79 States from the ACP regions, sent a clear political message that was reflected in the adopted resolutions emphasizing that cultural policies are essential components for the development strategies of ACP States and that cultural diversity is a factor of social cohesion and stability at the national and international levels. The ministers reaffirmed the relevance of the Dakar Declaration for the promotion of ACP cultures and their cultural industries. In this regard, a multi-agency project proposal for "Strengthening the Creative Industries in Five Selected ACP Countries through Employment and Trade" was approved in 2007. The project is being jointly implemented by ILO, UNCTAD and UNESCO with funds from the European Commission and institutional support from the ACP secretariat. The beneficiary countries for this pilot project, which should be concluded in 2010, are Fiji, Mozambique, Senegal, Trinidad and Tobago, and Zambia.[12]

2.6.2 | The Asia-Pacific region

In the Asia-Pacific region, the creative industries have been an important element in the development of the mature economies of countries such as Japan and the Republic of Korea and, to a lesser extent, in the fast-growing economies such as Malaysia. Many city authorities in China, Japan, the Republic of Korea and Singapore have formulated economic investment policies based on creativity and creative enterprise as a strategy for economic growth and competitive advantage. In most Asian countries, however, the "creative economy" is not really a concept that has taken hold and is not reflected in national economic development plans. Neither are the concepts of "creative or cultural industries", which are hardly used in debates about national economic strategies.

While both the crafts industries and cultural tourism centred on heritage sites have attracted some attention and are recognized for their potential for income-generation, they remain isolated activities. In general, these industries are the focus of individual projects driven either by entrepreneurs or as part of development projects funded by the Government or external international assistance or NGOs. Over the years, there have been projects designed, for example, on the basis of the potential of harnessing the craft industries as a motor for economic development among the poorer segments of the population. Often, however, these economic activities fail to maintain the economic growth foreseen in the projects as soon as external support stops owing to constraints in terms of infrastructure or inadequate funding. It is gradually being understood, therefore, that a comprehensive development strategy is needed to realize the potential of these industries for economic development and poverty alleviation. This is the motivation behind such programmes as the Jodhpur Initiatives and the Paro Initiative.

Regionally, one can perhaps divide the Asia-Pacific region into different groups according to how importantly the concept and activities of creative industries figure as part of the economy. There is a large group of countries with important economic activities that are part of what in other countries is considered the creative economy. This grouping includes countries such as China, India, Indonesia, Malaysia, the Philippines, the Republic of Korea, Singapore, Thailand and Viet Nam. These countries may all be considered major Asia-Pacific economies with a strategic interest in creative-industry development though it may not be expressed in these terms.

In China, the "cultural creative industries" have started booming over the last five years. As evidenced by the trade figures presented in the annex, China became the leading player in the world market for creative goods. This development reflects a clear determination of the Government to fully explore the potential of the creative industries as a development strategy, as emphasized in the 11th Five-Year Plan. Moreover, the impressive economic performance of China over the past several decades has made its development experience rather distinct from those of many other economies. China had the fastest economic growth in the world for more than 25 years and recently has been attracting FDI on the order of $60 billion per year. As a result, in a relatively short period starting in 1990, its exports of services increased eightfold, amounting to $70 billion in 2005.

[12]See UNCTAD, *Creative Economy and Industries Newsletter*, No. 4, December 2006.

Furthermore, technology has been paramount in the "catching-up" strategy of China.[13] Obviously, these conditions – particularly the combination of investment, technology and creativity – have been conducive to harnessing the creative economy in the country. Design, publishing and arts and crafts are among its most competitive creative products.

Another important feature of China's modernization drive and the success of its creative industries results from the multidisciplinary policies in place where ministers of commerce, culture, science and technology, information and education have been working in a concerted manner. The creative industries were identified as one of the pillars of China's future economic development.[14] Structural reforms recognizing the growing role of culture and creativity for economic development have been articulated with a view to enhancing creative industries, particularly those generating high-growth, value-added goods and services. In this respect, China is a concrete example of how cross-cutting policies should be integrated in order to enhance the overall impact of the creative economy for development gains. Recently, innovative financing arrangements, including new private partnership, have been an engine for the dynamism of its technology-intensive creative industries.[15] An important shift in policy orientation from "made in China" towards "created in China" is already noticeable.

Box 2.4 Experience of the Shanghai Creative Industry Center

An illustration of the application of a creative-industry development policy in an urban setting is provided by Shanghai, where the Shanghai Municipal Government has clearly stated that the development of creative industries is one of its priorities during the 11th Five-Year Plan period (2006-2010). According to the Shanghai Creative Industry Center, 3,000 companies from 30 countries had entered one of the 75 new creative industry parks (2.2 million sq m) around the city, creating job opportunities for more than 25,000 people. In 2005, the creative industries of Shanghai realized an increase of 54.9 billion yuan in turnover, nearly 18 per cent higher than that of the previous year. In 2005, the total turnover of the creative industries accounted for 6 per cent of the GDP of the city[1] (see table below).

According to a Shanghai Municipal Government Press Conference Memo of 20 September 2006:[2]

"[Recently,] Shanghai's cultural industry authority issued a series of policies and guidelines to encourage non-public investments. The further opening of the cultural market has driven up the enthusiasm of private investors. By the end of last year, 186 institutions owned business licenses for broadcasting and TV program production, with 159 privately-owned; 85 business arts performance troupes with 43 privately owned; and 157 performance agencies, with 78 percent privately-run. The private-based economy has played a major role in entertainment sites such as net-cafés and other Internet services."

"The establishment of a public cultural system has played an important role in boosting the city's cultural industry, which has been enhanced by government sourcing to the development of the industry. The acceleration of the establishment of community cultural activity centers, cultural information stations, museums and libraries has created more jobs and has driven up the demand for books, audio products, movies and Internet services. In 2006, public-welfare cultural protection and equipment services, cultural activities of the public, cultural research and community services registered revenues of 2.35 billion yuan, with the added value of 1.24 billion yuan, covering four percent of the whole cultural service sector."

Contribution of cultural/creative industries to the City of Shanghai

	Output (in billions of RMB)		Added value (in billions of RMB)	
	2005	2006	2005	2006
Total	**197.57**	**229.17**	**54.94**	**67.4**
R&D/design	89.28	96.58	2.09	28.79
Architectural design	37.16	41.96	9.87	11.87
Arts and media	12.84	14.84	4.94	5.73
Consulting and planning	41.03	54.41	13.68	18.27
Fashion consumption	17.26	21.38	2.36	2.8

Source: Shanghai Creative Industry Center.

[1] 2005 creative industry contribution to GDP of Shanghai: 6.0%; 2006 creative industry contribution to GDP of Shanghai: 6.5%; 2006 GDP per capita in Shanghai: $7,490.
[2] Memo available at: http://www.shanghai.gov.cn/shanghai/node17256/node17971/node17973/userobject22ai22962.html .

By Panjin, Deputy Secretary-General, Shanghai Creative Industry Center.

[13] Keynote address by E. Dos Santos (UNCTAD) on the interface between technology and culture at the Tenth China International High-Tech Expo (CHITEC), Beijing, May 2007.
[14] See opening speech by the Minister of Culture of China, First China Beijing International Cultural and Creative Industry Forum & Expo, Beijing, December 2006 (see UNCTAD, *Creative Economy and Industries Newsletter*, No. 6, 2007).
[15] See "Technology and Creativity", address by E. Dos Santos, Chief, Creative Economy and Industries Programme, UNCTAD, at the Creative Industry Development Forum, Beijing, May 2007.

India is also benefiting from the dynamism of the global creative economy by implementing tailored policies. The stunning success of its film industry is a case in point. At present, India is the world's largest film producer, producing about 1,000 films a year. The film industry provides employment to some 5 million people. India's support to the film industry rests on the action of three institutes at the federal level, and some States have also developed support measures with an emphasis on training in film directing.[16] Moreover, the National Film Development Corporation supports small-budget productions as well as loans for the construction of cinemas. However, fiscal measures are the main mechanism of State intervention while tax exemptions to lower production costs, cuts in customs duties on film equipment, and an export incentive system are the main instruments of public policies.

Bollywood, the colloquial term for Hindi movies made in Mumbai, dominates the Indian national market, but regional film-producing States have their own growing markets. The film industry is fragmented but has been restructuring. Filmmaking, distribution and exhibition are now increasingly controlled by a smaller number of companies merging to form bigger companies.[17] Traditionally, Indian films have been produced mainly for domestic markets. Over the last decade, however, Indian films have had greater penetration of world markets, nowadays generating about $220 million in annual export earnings.

The creative industries of the Republic of Korea have been performing well, particularly those in technology-oriented areas such as audiovisuals and new media (mainly films, animation and video games). Public policies on audiovisuals have been instrumental not only in enhancing the creative sector domestically but also in guiding international trade policies in the context of World Trade Organization (WTO) negotiations. The Korean Broadcasting Commission plays an important role in strengthening domestic production of works for television. In addition, the country has a higher-than-average level of audiovisual appliances such as video cassette recorders (VCRs) and DVDs, stimulating domestic demand.

Another group features countries or regions with less emphasis on creative-industry development but where particularly craft industries, furniture making and handloom industries have traditionally been widespread secondary employment activities, namely, Bangladesh, Bhutan, Cambodia, Lao People's Democratic Republic, Myanmar, Nepal and Pakistan. Even though there are great differences between the countries in this group, their creative economies have certain common features, including the fact that the majority of economic activities relating to the creative industries are in the large urban centres.

Finally, there are countries where the creative industries are an almost unnoticed part of the economy, especially in the Pacific Islands. In these countries, creative industries exist mostly in terms of more traditional cultural activities and the cultural manufacture that is part of the communities' (traditional) life. Throughout the Asia and the Pacific region, however, the cultural sphere increasingly represents a forum for the search for identity. This search is a real need for many of the people of the region who experience the onslaught of social change and increasing economic insecurity among large groups of the populations. This is coupled with the often wildly different and contradictory norms and values presented through the mass of cultural goods and services that have become easily available – old and new, traditional and contemporary, global and local.

2.6.3 | Central Asia and the Middle East

Most of the countries of Central Asia, including Mongolia, are still adapting to the transition to a market economy, and within this scenario, the concept of the "creative industries" is not one that figures very prominently. This has partly to do with the different traditions concerning IPRs and weak institutional support in respect of a more Western understanding of copyrights. While the cultural and artistic traditions are very rich and diverse in the region and hold considerable potential for commercial development, the core cultural and handicraft industries in these countries are in general part of the non-formal economy and are not yet positioned as part of any creative economy. The nomadic tradition in all of these countries is a particular aspect of the potential development of creative industries.

The creative industries are more developed in countries such as the Islamic Republic of Iran and Turkey. Istanbul especially is well known as a rapidly developing

[16]See "Audiovisual markets in the developing world", E. Cocq with F. Levy, in *Trends in Audiovisual Markets: Regional Perspectives from the South* (document CI/COM/2006/PUB/10), UNESCO, 2006.
[17]See "Trends in Audiovisual Markets: Perspectives from Asia", M. Rao, in *Trends in Audiovisual Markets: Regional Perspectives from the South* (document CI/COM/2006/PUB/10), UNESCO, 2006.

metropolis that plays an important role as a bridge between Europe and Asia. Government authorities in Turkey are moving towards enhancing the socio-economic impact of cultural life while enhancing creative industries not only in the capital but throughout the country. This decision is also motivated by the fact that Istanbul has been selected to be the Cultural Capital of Europe in 2010.[18] Arts and cultural festivals are no longer seasonal affairs but are spread out during the year.

In the Islamic Republic of Iran, creative industries such as publishing and film production have a long tradition. Iranian films exhibit a strong cultural identity and audiences have been increasing worldwide. Carpets remain one of the most appreciated items of the Iranian culture in global markets. UNCTAD figures show the Islamic Republic of Iran as the third-largest carpet-exporting country, accounting for nearly 15 per cent of world market share (see table 1.4.1.A in the annex).

A WIPO study from 2004, *Creative Industries in Arab Countries*,[19] describes and explains the economic performance of four key copyright-based industries – book publishing, music sound recording, film production and software – in five Arab States: Egypt, Jordan, Lebanon, Morocco and Tunisia. The overall results of the study suggest that copyright-based industries in Arab States are substantially underdeveloped and that there remains a great potential that should be systematically mobilized.

Beirut and Cairo used to be the biggest producers of films and music in the Arab world. Efforts have been made to stimulate the development of creative industries in the region, including through the organization of Beirut Development and Cinema (Beirut DC), founded in Lebanon in 1999 by a group of cinema professionals and art advocates. The aim of Beirut DC is to provide support to Arab independent filmmakers in overcoming the constraints facing independently minded Arab cinema. Important film festivals are organized in Beirut, and in the fourth edition held in 2006, the festival screened more than 40 films, mainly shorts and documentaries.

More recently, the rapid economic development in places such as Dubai and some other cities of the Arab States region does target culture and creativity as vectors for economic growth and development. The new sprawling media city complex in Dubai has turned the United Arab Emirates into a centre for broadcasting and publishing, hosting hundreds of Arabic- and English-language publications and satellite television channels beaming throughout the region. Deeper into the desert, the massive Production City is growing into a sprawling movie and television production zone, seeking to do for Dubai what Hollywood did for Los Angeles. In 2006, Dubai played host to the 40th World Congress of the International Advertising Association, the largest regional creative gathering to date. All activities are not large in scale, however: a recent exhibition celebrated creativity in art, crafts and the design of jewellery manufactured in Dubai. The exhibition was organized to make a strong case for jewellery as one of the creative industries with strong potential for cultural expression and commercial growth in Dubai.

In nearby Abu Dhabi, which produces the television show, "Poet of Millions", the Emirate, as part of an initiative to preserve heritage, has begun a $10 billion plan to build and operate Middle Eastern branches of the Louvre and the Guggenheim museums on a huge arts and culture development meant to preserve Gulf culture even as it embraces the arts and culture of the West. Meanwhile in Saudi Arabia, Rotana Music, the region's largest media company, has acquired more than 80 per cent of the music libraries of the Arab world and almost as much of its film libraries in an effort to put talent from the Gulf in the spotlight.[20]

Recent facts indicate that creative industries have started to receive serious consideration in the region. In 2006, the international auction house Christie's held the first contemporary art auction in the Middle East in Dubai. Its second auction of contemporary Arab, Iranian, Indian and Western art drew collectors from India, the Arab world and beyond and topped the house's own expectations with $9.4 million in sales. From Arabic calligraphy to American icon Andy Warhol, 190 works of contemporary art went under the hammer in Dubai, the commercial hub better known for its glass skyscrapers and malls than its arts scene.

[18]In June 2007, the Istanbul Metropolitan Municipality hosted an international conference providing a forum to discuss future strategies for the so-called "cultural cities" and their creative industries (see UNCTAD, *Creative Economy and Industries Newsletter*, No. 6, September 2007).

[19]This study by Najib Harabi incorporates five national case studies, giving a comparative account of the performance of the four copyright-based industries in these Arab States. Using the Porter (Diamond) model as its theoretical background, a survey was conducted in the years 2002-2003 among 242 experts, covering firm representatives, industry and government experts.

[20]Hassan M. Fattah, "Letter from Dubai: Gulf Culture Emerges as New Voice of Arab World", *International Herald Tribune – Africa and Middle East*, 1 August 2007.

2.6.4 | Latin America

The engagement of Latin American countries in a creative economy agenda varies considerably on account of the substantial differences in the industrial and export capabilities of the creative industries across countries and subsectors in the region. The number of national governments that have recognized the socio-economic potential of the creative industries remains small although considerable progress has been made in recent years.

The analysis of the creative economy in Latin America is a matter that is progressively acquiring significance within regional cultural policies and visibility in economic and social development strategies. A series of studies that constitute a basis for the development of a creative economy in the region is currently being put together with the support and encouragement of international and regional organizations such as Convenio Andrés Bello; the Organization of American States; the Organization of Ibero-American States for Education, Science and Culture; the Regional Center for the Promotion of Books in Latin America and the Caribbean; UNESCO; and, more recently, UNCTAD and UNDP. The development of the creative industries is evolving differently throughout the region; indeed the concept and terminology of "cultural industries" and "cultural economy" prevail in Latin America. Although countries with higher economic development such as Argentina, Brazil, Chile, Colombia and Mexico have been concentrating greater efforts in this area in recent years, awareness of the socio-economic importance of the creative economy is gradually spreading in the region.

More recent studies measuring the impact of the creative industries in Latin America reflect two factors: the gradual availability of statistics and primary information and the growing political will of governments to promote these initiatives. Statistical availability accounts for a two-way influence on the development of different methodologies for measuring the activities of the cultural industries. Thus, when more statistical information becomes available, more complex methodologies can be designed, enabling a better diagnosis of the cultural sector of the economy. Also, it must be said that those countries that have started preparing for a Satellite Account on culture have recognized the cultural sector as a full-fledged economic sector, as happened with respect to tourism a few decades ago. The different national efforts to analyse the economic contribution of the cultural and creative industries have employed similar methodologies but with significant differences in the degree of refinement and statistical reliability. Six main approaches have been identified, according to the level of disaggregation of the economic activities considered as cultural and creative industries.[21]

- *Mexico and Guatemala.* These studies use the System of National Accounts as the source for data and four categories according to the WIPO model ("core industries", "interdependent industries", "partial copyright industries" and "non-dedicated support industries"). They are the only studies that generate an estimate of the illegal and informal sectors, labelled as "shadow economy", providing a complete view of the cultural industries.[22] Even though the same methodology was used for both Guatemala and Mexico, for the Guatemalan study, the five categories had to be grouped into two owing to the statistical limitations.
- *Argentina, Brazil, Chile, Paraguay and Uruguay.* Activities are divided into four groups, depending on how they relate to the cultural industries. The first category includes all those activities considered completely cultural and is labeled "main industries". The other categories are: "partially related industries", "distribution industries" and "related industries".
- *Peru.* The Peruvian study is characterized by the variety of sources and methodologies employed. Owing to the lack of government agencies that produce statistical information on culture and economics, both private and public sources were used to estimate the final demands for cultural consumption plus the investments made in the cultural sector and the value of exports.
- *Colombia.* This is one of the most comprehensive studies made on the subject using a modern methodology similar to the ones already described but grouping the cultural industries into three categories: "direct", "indirect" and "supply-producing". This enables comparisons with other studies.[23]
- *Chile.* Only the economic activities representative of the cultural sector are included. Therefore, the multiplier effects of related sectors or the shadow economy are not taken into account.[24]

[21]The descriptions of the methodologies used in Latin America included here are based on recent studies carried out by E. Piedras Feria as commissioned by several governments in the region.
[22]Ernesto Piedras Feria, *¿Cuánto vale la cultura? Contribución Económica de las Industrias Culturales en México*, CONACULTA-CANIEM-SOGEM-SACM, Mexico, 2004.
[23]Ministerio de Cultura de Colombia, *Impacto Económico de las Industrias Culturales en Colombia*, Convenio Andrés Bello, Bogota, 2003.
[24]Consejo Nacional de la Cultura y las Artes de Chile, *Impacto de la Cultura en la Economía Chilena: Participación de Algunas Actividades Culturales en el PIB y Evaluación de las Fuentes Estadísticas Disponibles*. Universidad ARCIS, Convenio Andrés Bello, Bogota, 2003.

- *Venezuela.* A solid methodology is used, including the economic activities that characterize the cultural sector as well as teaching because of its role in developing and expanding cultural services. This makes it rather difficult to compare with other Latin American studies.[25]
- *El Salvador.* This study, like many others, employs economic censuses and the international activity classification systems. It divides cultural activities into two groups: "core industries" and "other industries".

As these studies indicate, the range of the economic contribution of Latin American cultural and creative industries varies considerably, reflecting the cultural wealth of each country as well as the varying availability of statistics and methodologies employed. It should be noted that to date, 12 countries in the region have developed this kind of quantitative analysis. While the available statistical information is relevant only when it enables comparisons with similar realities, at present, the fact that these countries are devoting attention to this exercise is a positive development. However, the data collated thus far should be considered only as indicative and as a starting point for future systematic and robust data collection. Again, efforts should be made to harmonize approaches to data collection with a view to making the most efficient use of scarce resources.

As regards concrete policy actions, Latin American countries exhibit different levels of maturity and awareness of the potential of the creative economy to foster develop-

Box 2.5 Guatemala: The economic contribution of culture[1]

In recent years, research in the field of cultural economics has progressed so much that, today, there is little doubt about the importance of the economic contribution generated by the economic agents or firms that are a part of it. Obviously, not all countries have realized it. Most notably, those countries lacking economic resources to conduct these types of research have fallen behind in their analyses of cultural and creative industries. Such is the case for countries in Central America which, until now, have not counted on such kinds of studies. It is striking and worrisome at the same time that none of the Central American countries have national analyses of their cultural industries.

Recently, however, these countries have started to think of their cultural sector as a productive one with the ability to produce economic growth and economic development at the same time. The first study developed in Central America was in Guatemala, where the economic contribution of the cultural industries reached 7.6 per cent of GDP. The annual average growth was 7.3 per cent for the years 2001-2005, a higher rate than that registered in the majority of other sectors of the Guatemalan economy. The shadow economy (which includes illegal and informal activities) in Guatemala represented almost half of the national economic activities. When the contribution of the shadow economy is included, cultural industries were responsible for 9.02 per cent of GDP in 2005.

The study also found that the cultural sector employed 7.14 per cent of the labour force. When compared with the economic contribution (7.26 per cent), we can conclude that the jobs created by the cultural industries were, on average, slightly more productive than the average jobs in the whole economy. This may also be interpreted as indicating that the cultural industries were important contributors to the improvement of competitiveness of the Guatemalan economy and its labour force.

Regarding international trade of goods and services, imports of cultural goods were higher than exports in 2004 (3.36 per cent and 2.12 per cent, respectively), resulting in a trade deficit of 1.24 per cent for that year.

It is now clear that culture and creativity contribute to the economic growth and development of a country in addition to having intrinsic social and aesthetic values. This is demonstrated by the relatively high contribution of cultural industries to GDP and the productivity of their workers. In other words, cultural activities constitute their very own sector of economic activity.

The cultural industries add economic and social value to countries and individuals. They constitute a type of knowledge that translates into jobs and abundance, consolidating creativity – their "raw material" – to promote innovation in production and sales processes. At the same time, they are central to the promotion and maintenance of cultural diversity as well as in assuring democratic and cultural access.

Moreover, as noted earlier, cultural industries have the dual capacity to simultaneously generate economic growth and economic development. Countries must take full advantage of the economic potential for growth and development provided by the comparative advantages of their cultural-economic activities while respecting cultural identities and diversity.

[1] Analysis by Ernesto Piedras Feria for the Ministry of Culture and Sports, Government of Guatemala, with funding from the Inter-American Development Bank, Guatemala, 2007.

By Ernesto Piedras Feria, economist, Instituto Tecnológico Autónomo de México (Mexico Autonomous Institute of Technology), and CEO, The Competitive Intelligence Unit.

[25] Guzmán Cárdenas, Carlos Enrique, Yesenia Medina y Yolanda Quintero Aguilar, *La Dinámica de la Cultura en Venezuela y su Contribución al PIB*, Convenio Andrés Bello, Bogota, 2005.

ment, and sharp differences also occur within individual countries. In general, culture-related goods and services still tend to be marginal from the economic perspective and culture is considered almost exclusively in terms of its anthropological definition. The economics of culture lies somewhere between the public institutions in charge of culture and those dealing with development issues but joint efforts are uncommon. There are, however, a few exceptions, as will be discussed below.

The conceptual debate about the creative economy is still in its early stages. Though the success of creative-economy programmes of a number of developed countries has drawn the attention of policy-makers and cultural researchers, there is resistance to the prevailing concept of the "creative economy", which places too much emphasis on IPRs. Arguments are twofold. First, the suitability of IPRs for traditional and communitarian knowledge is argued a great deal, and it is feared that cases of biopiracy may be followed by a similar wave of foreign appropriation of cultural knowledge. Second, a wide range of cultural goods, services and expressions, such as traditional festivals, where IPRs are not applicable, produce a huge socio-economic impact and sustain cultural diversity. It is therefore likely that a new definition of the "creative economy" will emerge in the region. As will be shown later, references to the creative economy are scarce and most of the surveys on the economic contribution of the creative industries refer exclusively to the cultural or copyright industries.

In Argentina, cultural industries have for many years been the focus of a number of studies, with special emphasis on publishing, phonographic and audiovisual industries, many of them conducted by the Observatory of Cultural Industries in Buenos Aires. According to the *Cultural Industries Yearbook 2005*, the cultural industries altogether contributed 7.4 per cent of the Buenos Aires GDP and were responsible for 105,000 employees (8.2 per cent), 130,000 if entertainment is included. More importantly, the growth rate of this sector is higher on average than that of the economy as a whole.

Buenos Aires, long considered a special case in the Latin American design industry, was appointed the first UNESCO City of Design by the UNESCO Creative Cities Network. One of the most successful initiatives in this area is the Metropolitan Design Centre, a public institution supporting designers and companies to increase their innovation potential and competitiveness through the use of design. In the past few years, other industries have attracted public attention, such as video games and media. Though the vast majority of research in Argentina refers to the city of Buenos Aires, in national terms, the audiovisual industry has the leading role among the cultural industries. Part of the credit is due to the Instituto Nacional de Cine y Artes Audiovisuales, which fosters the production, co-production and distribution of audiovisuals and has legislation in place to promote the industry.

According to a report by the Brazilian Institute of Geography and Statistics, the selected cultural industries in the survey employed 4 per cent of the workforce and accounted for 5.2 per cent of Brazilian companies.[26] The research on the cultural industries covers publishing; trade in books and magazines; film and video production, distribution and projection; radio and television broadcasting; arts and performing arts; news agencies; libraries, archives, museums and the like; leisure and sports activities; traditional festivals; advertising, and – for the first time in this kind of national research – ICT equipment and services, including Internet and cable television.

Chile is a special case in Latin America, occupying a distinctive position with respect to many social and economic indicators. Its high educational level and sound economic strategy have provided a good base for a creative-economy strategy. Not surprisingly, the country also plays a leading role in the development of a cultural information system, building on the statistics compiled annually by the National Statistics Institute. The project started in 2004 and should establish a dialogue between a directory of artists and institutions, cultural consumption data and the profile of cultural workers. The aim is to complement the set of assessments with a cultural satellite account. Meanwhile, the latest edition of the annual report, *Yearbook of Culture and Leisure Time* (published since 1997),[27] already presents sound statistics on creation, heritage, media, cultural jobs profile, tourism,

[26] Brazilian Institute of Geography and Statistics, "The Numbers of Culture in Brazil", *System of Cultural Information and Indicators*, 2006.
[27] Consejo Nacional de la Cultura y las Artes & Instituto Nacional de Estadísticas, *Cultura y Tiempo Libre – Informe Anual 2005*.
Available at: www.ine.cl/canales/chile_estadistico/estadisticas_sociales_culturales/cultura/pdf/CULTURA%20Y%20TIEMPO%20LIBRE%202005.pdf.

cultural consumption and intellectual property, paving the way for the monitoring of a future creative-economy programme, which to date has not been part of the agenda. The 2004 report, for instance, shows that national authors received no more than 36 per cent of the IPRs distributed in the country and that the estimated piracy rate in the software industry was 64 per cent.

Colombia, as home to the Convenio Andrés Bello (CAB), an intergovernmental institution active in 10 Latin American countries and Spain, has been encouraging the production of cultural studies not only at the national level but also covering other member countries, such as Bolivia, Chile, Peru and Venezuela. Convenio Andrés Bello also plays a key role in the organization of seminars with experts on cultural economics, promoting awareness and providing an international comparison of cultural policy, funding mechanisms, and research analysis to identify economic and cultural indicators towards the development of a satellite account on culture. CAB, in cooperation with the Ministry of Culture of Colombia, launched the project, "Economy and Culture", with the aim of providing an analytical approach to the economic impact of cultural industries and activities. A detailed list of key surveys and assessments of studies on cultural and creative industries in Latin America and the Caribbean is provided in the references (see also chapter 4).

The Ministry of Culture of Colombia took the first step in developing a Cultural Satellite Account: an initial measurement was made of the production of the activities considered to be directly related to the tools of the National Accounts System. The National System of Cultural Information is a good source of studies in the field of culture. Initial results reveal that the economic contribution of culture to the national GDP is 1.67 per cent (base year: 2000), with a high proportion represented by entertainment, cultural services and leisure (35 per cent); advertising, photography, research and development (33 per cent); and printing (19 per cent).[28] Though cultural heritage and the film industry have been the subject of economic studies and target policies in Colombia, the role of creative industries in the country achieved important recognition in 2005 when Popayan was appointed first UNESCO City of Gastronomy, as mentioned in the previous chapter.

Although Mexico has a number of significant economic studies on specific cultural sectors, cultural infrastructure and cultural industries, they are not developed on a continuous basis. The National Council for Culture and the Arts presents a series of statistics – heritage, funding lines, festivals, cultural consumption and production, to mention but a few – under what is called the Cultural Information System (Sistema de Información Cultural). The Cultural Infrastructure Atlas (Atlas de Infraestructura Cultural de Mexico, 2003) provides information for the formulation of cultural policies and programmes.[29]

A few surveys and assessments were developed by private and academic researchers. A study on the economic impact of the copyright industries (following the WIPO definition) shows that the contribution of these industries increased from 5.4 per cent of the national GDP in 1993 to 6.6 per cent in 1998, positioning them among the most important of the Mexican economy, ahead of the automotive and construction industries. In 2004, another book, *The Cultural Industries and the Development of Mexico*, was published, providing a historical and analytical review of the subject.[30]

In Venezuela, the creation of the Ministry of Culture in 2005 was a sign of political will to consolidate a new cultural institutional framework in the country. As a result, a platform for strengthening the impact of culture on the socio-economic development of the country is taking shape. Surveys and studies, including for the analysis of cultural indicators, are being carried out to assess needs and identify policy priorities, with emphasis on book and reading-oriented programmes. Other countries in the region offer spot studies on specific subsectors, consumption and a profile of cultural works, as in the case of Peru and Uruguay.

[28]Ministry of Culture, "Sistema Nacional de Información Cultural". Available at: www.sinic.gov.co/SINIC/CuentaSatelite/CuentasateliteDocumentos.aspx?CUEID=24.
Satellite Account methodological summary. Available at: www.sinic.gov.co/SINIC/CuentaSatelite/documentos/Ficha%20Metodológica%20Cuenta%20Satélite%20de%20Cultura.pdf.
[29]Consejo Nacional para la Cultura y las Artes, *Atlas de Infraestructura Cultural*, 2003. Available at: http://sic.conaculta.gob.mx/resultados.php?target=atlas+endesa.html.
[30]Consejo Nacional para la Cultura y las Artes, "Sistema de Información Cultural". Available at: http://sic.conaculta.gob.mx/publicaciones_sic.php?&l=&estado_id=
Consejo Nacional para la Cultura y las Artes, *Atlas de Infraestructura Cultural*, 2003. Available at: http://sic.conaculta.gob.mx/resultados.php?target=atlas+endesa.html
García Canclini, Néstro y Piedras Feria, Ernesto, *Las Industrias Culturales y el Desarrollo de México*. Mexico, Siglo XXI Editores, 2006.
Ernesto Piedras Feria, *Cuánto Vale la Cultura? Contribución Económica de las Industrias Protegidas por el Derecho de Autor en México*, Conaculta, CANIEM, SOGEM, SACM, 2004.

2.6.5 | The Caribbean

The Caribbean presents sharper contrasts on a country-by-country basis than other regions. Over the past ten years, Barbados, Jamaica, and Trinidad and Tobago have been working to put in place a creative-economy strategy and action plan, with a focus on music and cultural festivals, engaging either the private sector or the Government. In Trinidad and Tobago, a key study was carried out in 2001 that analysed the structure, challenges and opportunities of the music industry. One of the main problems faced by the researchers was the virtual non-existence of official statistics, making the contribution and the size of the subsector an area of speculation.

For Jamaica, a study commissioned by UNCTAD and WIPO[31] in 2002 confirmed the importance of music as an important economic activity, a source of income-generation and trade opportunities. A key message conveyed by the report and that would be applicable in principle to the whole Caribbean region is that the industry has developed with little government assistance. A turning point occurred when the National Industrial Policy recognized music and entertainment as two key elements of the national development strategy. This debate progressed further when a National Strategy and Action Plan to develop the Jamaican music industry was prepared in 2004 for implementation through partnerships uniting the private sector, governments and international institutions. Debates evolved and in 2007, the Prime Minister announced that a new Cultural Industries Council would replace the existing Entertainment Advisory Board, recognizing that "cultural industries represent Jamaica's natural competitive advantage".

In Barbados, the National Task Force on Cultural Industries was established in 2002, comprising nine ministers and a number of representatives from different sectors and institutions and focusing on culture and development. As a result, the Barbados' Creative Economy: A Cultural Industries Development Strategy was prepared in 2004. It stated that "cultural industries are a significant contributor to the economy of Barbados, despite the perception that cultural industries constitute a 'soft' sector and are carried out more as an after hours diversion than a veritable business enterprise". Since then, increasing attention has been devoted to the potential of the creative economy as a development strategy for this small island developing State. The forum, "Promoting Creative Industries: A Trade and Investment Strategy for the Caribbean", organized in 2006 by the Caribbean Regional Negotiating Machinery with the support of the European Union Proinvest Project, was a further step in this direction.

Music remains the focus of creative-industry efforts throughout the Caribbean region. An important study on the subject[32] was prepared in 2000 by UNCTAD and WIPO, recognizing the need for policies to address issues such as investment opportunities, codification and use of Caribbean music, institution-building, and strengthening of copyright legislation. It was also intended to assist and reinforce marketing distribution schemes for music incomes. However, a fundamental problem in the design and implementation of national economic policies for this subsector remains the chronic lack of statistics and economic mappings.[33] More recently, some Caribbean States have become attractive locations for big film productions. Therefore, they are reinforcing their abilities to provide film supporting services and establishing film commissions to promote the interests of their countries. In particular, Jamaica and Trinidad and Tobago have been exploring possibilities of signing international co-production treaties. For instance, a treaty for film co-production between Jamaica and the United Kingdom was signed in early 2007.[34]

A broader view of the creative economy in the region was canvassed in 2006 when the study, *The Cultural Industries in CARICOM: Trade and Development Challenges*, was released.[35] The first study to present a comprehensive analysis of the creative industries in the Caribbean, it assessed their economic contribution in the region and identified the obstacles to its global competitiveness. It also provided inputs to a strategic plan for the development of the sector, including an investigation of the market structure, the economic flows and the export performance of the various subsectors of the cultural industries. The research emphasized that the Caribbean has some competitive advantage in specific subsectors, particularly at the production stage. The draining of talent to developed economies is still a reality and the overall aim of tapping into the growth potential of the rising creative sector is hampered by the poor organization of stakeholders

[31] See Witter (2002).
[32] See Vanus (2000).
[33] On the limitations of mapping and measurement in the region, see K. Nurse et al. (2006); Piedras and Rojón (2005); and Buanain and De Carvalho (2004).
[34] See UNCTAD, *Creative Economy and Industries Newsletter*, No. 5, August 2007.
[35] This study, which presents important policy recommendations, is available at: http://www.crnm.org/documents/cultural_industries/Cultural_Industries_Report_Final_Jan07.pdf

Box 2.6 Brand Jamaica as the home of reggae

Creativity represents one of Jamaica's most distinguishable assets and competitive advantages as a country. Through its music, fashion, dance and cuisine Jamaican culture continues to influence and impact global pop culture as it has done since the introduction of Garveyism, Rastafari and reggae music. Jamaica's exploitation of this sector is vital if it is to realize development gains from international trade, as highlighted in the UNCTAD São Paulo Consensus.

The United Nations estimates that the creative industries are growing at a faster rate than the world economy in general. Yet there is still a critical lack of empirical statistics on the contribution of Jamaican music or creative industries to national GDP. This has resulted in repeated undervaluation of this sector in an array of studies, with estimates ranging from $1.5 billion to $1.7 billion in generated revenue.

Brand Jamaica is a business brand building campaign to expand the country's profile from a primarily leisure destination, celebrated for its cultural icons and athletes, to one where business plays an even greater role. Brand Jamaica has for the most part been an organic evolution driven by the country's creative entrepreneurs and their cultural products. A decade ago, the Government awakened to the potential of culture and creative industries as an important economic strategy for national growth, signalled with the inclusion of music and entertainment as a strategic cluster group in the National Industrial Policy in 1996. Responsibility for promotion of the sector was given to the country's trade and investment facilitation agency, Jamaica Promotions Corporation (JAMPRO). The agency, in partnership with the music industry, facilitated the development of the national Sounds of JamaicaTM brand campaign launched at the Marché international de l'édition musicale (MIDEM), the world's largest music industry trade fair, in 1997 in France. The initiative galvanized the Jamaican music industry in an unprecedented demonstration of strategic cooperation. However, after a vibrant period of active brand management and trade show participation between 1997 and 2000, the initiative lost momentum. Fragmentation of various aspects of Jamaica's creative industries across five ministries and at least six agencies without the benefit of a sector-driven master plan resulted in staggered duplication, inertia and ongoing loss of wealth-generating opportunities. Additionally, Jamaica has a "hustler" reputation internationally, which negatively affects market confidence in supply consistency, legal protection and business practices.

The global appeal and adoption of Jamaican music have spawned home-grown versions and artists within the genre from Germany's Gentleman to United States Grammy winner No Doubt, for example. The increasing availability of home-grown reggae and the rising cost of Jamaican versus home-grown talent have begun to impact the demand for authentic Jamaican reggae, with festivals in major markets such as Germany and Japan successfully producing reggae festivals without any Jamaican artists on the line-up. Product quality in terms of recorded and live music must be maintained at the level of excellence established for Jamaican music internationally by Bob Marley and others in order for Jamaica to grow its market share of the international Jamaican music industry.

Jamaica's music represents the country's most easily exportable creative-industry product and the one that has strengthened the brand internationally in traditional markets as the foundation of Brand Jamaica. Emerging markets for Jamaica's music, particularly in Asia and Latin America, hold great promise for a musical culture that has been embraced by a diverse range of cultural markets. Jamaica's musical success in these markets opens the door for the introduction of other creative products into the market. Jamaica and its culture are inextricably linked in the mind of the international market. Jamaica as the culturally authentic home of reggae music and culture has the opportunity to guarantee its competitive advantage in the cultural market space once it enables creative entrepreneurs to position themselves effectively in the international market with quality products.

Jamaica's creative products are diverse and include finished audio video tangibles that are exported physically and digitally as well as facilities and services consumed by foreigners visiting Jamaica to record in one of its state-of-the-art studios, collaborate with top artists, musicians and producers or shoot a new music video against the flavoured texture of the diverse Jamaican landscape. Given the broad scope of creative industries, the JAMPRO 1996-1997 Marketing Plan for Music and Entertainment estimated that 15,000 persons were directly and indirectly employed in this sector. The impact of this relatively small group on the Jamaican economy is, therefore, out of proportion to the group's size. The products and services generated by the sector contribute significantly to Jamaica's capital wealth, public image and goodwill. In keeping with global trends, this generation of youth is empowered creative mavericks developing their own labels, fashion brands and production houses and building a new creative economy for the future.

It is noteworthy that the creative sector has affected traditionally vulnerable groups as Jamaica's cultural richness has for the most part been produced by the poorer, marginalized class. The creative expression and folk heritage of the poor have evolved into a global phenomenon, with many examples of young people raising themselves out of poverty through their talents and despite their lack of business experience. From the earliest period of Jamaica's music history, it was young people who fuelled the growth of this industry as performers, producers, promoters and agents. Early pioneers and legends include labels Studio One and Treasure Isle and artists such as the Skatallites, Jimmy Cliff, Toots & the Maytals, Prince Buster, Alton Ellis, and Bob Marley & The Wailers. Today, young people continue to fuel the legacy of creative wealth and empower themselves through their creative capital to bring about individual and community growth. Traditionally, Jamaican music has been a very male-oriented industry with a few women performers such as Millie Small or Marcia Griffiths and an even smaller number as managers, promoters and producers such as Sonia Pottinger. Over the last five to ten years, however, women have become increasingly visible on the entertainment scene in Jamaica, with an unprecedented number of new female solo artists arriving on the scene, female managers and promoters as well as women in the areas of legal and financial services, engineering and video production.

Historically, the fragmented distribution of Jamaican music and limited appreciation of the publishing value resulted in a unique Jamaican music business model that relies heavily on revenue from live performances and special exclusive recordings called "dubplates" rather than depending on record sales and publishing like creators in developed music markets. Most international showcasing of talent or distribution of catalogues was made possible

Box 2.6 continued **Brand Jamaica as the home of reggae**

through artist deals or product licensing agreements with overseas distributors or labels and limited media exposure through a network of niche reggae programmes worldwide, particularly on independent and college radio stations in Europe and North America. Jamaican music was internationally established and has been maintained through this touring circuit strategy, making live performances the foundation of the Jamaican music business model. Live performances also are slowly evolving into this role in the international music business as the rise in illegal file sharing and declining CD sales are decreasing the industry's reliance on revenues from record sales and publishing. Consequently, the substantial divide that existed between the Jamaican and international business models is narrowing.

Overall, Jamaica's creativity has earned it a place in the global arena despite the small size and inexperienced management of its creative industries. In order for Jamaica and the Caribbean to survive in a globalized world, policy-makers and stakeholders seeking economic growth and job creation must position the creative industries as the cornerstone of any serious development strategy. The inherent entrepreneurial talent of Jamaicans has developed and sustained the country's creative product brands over the past fifty years without a proactive public policy, institutional infrastructure or formalized venture funding. It is now time to unleash the full potential of Brand Jamaica by providing the creative industries with the required overarching support. If properly managed, Brand Jamaica could foster joint venture projects and macro branding opportunities that would maximize the global appeal of the country's lifestyle brand and national identity.

Jamaica's national brand identity has international consumer appeal and proven economic potential. The success of Jamaica in nationally and internationally marketing its cultural products demonstrates that Southern economies can expand into international markets by increasing brand awareness and packaging a diverse product line built on their cultural production.

By Andrea M. Davis, Jamaica Arts Holdings/International Reggae Day.

and the absence of more comprehensive policy measures. As stated in the study, "Changing the mindset of the governments and the corporate sector is key for transforming the sector's viability but it is equally important for the industry stakeholders to become better organized and provide a more sustained and cohesive advocacy capability".

In the Eastern Caribbean States, the linkages between tourism and creative industries have been reinforced. A ministerial conference organized by the Organisation of Eastern Caribbean States (OECS), held in St. Lucia in early 2007, addressed this issue in the efforts of these States to shape a long-term vision for the development of the region. A new treaty with plans for an economic union is guiding economic policy among OECS member States. UNCTAD and the OECS secretariat are exploring cooperative actions to enhance creative capacities in the region, particularly in arts and crafts, visual arts and music festivals.

At the political level, the last Ministerial Conference of the Small Island Developing States, held in Mauritius in 2005, recognized the importance of culture to accelerate development in the region through the implementation of the Mauritius Plan of Action.

2.6.6 | Eastern European economies in transition

It is difficult to generalize about the state of the creative economy in economies in transition because each country has its own particular economic and cultural circumstances. Nevertheless, these countries do share the common problem of how to deal with cultural assets that were formerly State-owned and that are now in the domain of the private sector. This applies particularly to tangible cultural heritage; many historic buildings ranging from manor houses to urban apartments have been handed back to private owners who often have neither the resources nor the will to maintain them, let alone to renovate or restore them. Similarly, many cultural organizations – theatres, galleries, literary publishers, music ensembles, etc. – that were previously State-financed have been forced to make their way in the private marketplace, and many have not been able to survive the transition.

Some cities in Eastern European countries have looked to the cultural industries as an avenue towards becoming "creative cities". An example is St. Petersburg in the Russian Federation. However, despite the attraction of this city as the location of the Hermitage, one of the world's finest art museums, there have been problems. Overreliance on a single organization to entice tourism has

tended to mask the lack of a developed ecosystem of cultural activity in the city. It is argued that the way forward is to introduce creative industries into the city by supporting small-scale cultural producers together with appropriate institutional support for the development of culture-related SMEs.[36]

Three other economies in transition for which some data on the creative industries are available are Bulgaria, Hungary and Latvia, all the subject of recent national studies of the economic contribution of the copyright industries carried out by WIPO. The Hungarian study estimated that the core copyright industries contributed about 4 per cent of the GDP of that country in 2002 and 4 per cent of employment. The entire group of copyright industries as defined by WIPO is the second largest industry group in Hungary in terms of GDP contribution and the third largest in terms of employment. In Latvia, somewhat similar percentages apply: the core copyright industries contributed just 3 per cent of value added to GDP and 4 per cent of employment in 2000 (see chapter 4).

A notable development is that Hungary and Romania, although new in the European Union, have become attractive countries for film, video and advertising production. As shown in the annex, Hungary became an important exporter of audiovisual services.

Box 2.7 The Bolshoi: A sublime gift to the world

The Bolshoi Theatre is one of the most famous cultural institutions not only in Russia but also around the world. However, this has not always been the case. Bolshoi's history goes back to March 1776 when the Russian Tsarina, Catherine the Great, granted Prince Urussov exclusive rights to organize performances and masquerades in Moscow. In four years – by 1780 – Petrovsky Theatre was built for the company on the exact spot where the historic building of the Bolshoi Theatre now stands, at the place that today we call Teatralnaya Square. Only after the big fire of 1805, when the building was ruined, and in order to preserve the company was the decision taken for it to come under the Emperor's theatres, which eventually included the Mariinsky (renamed the Kirov Theatre for part of the twentieth century), Aleksandrinsky and Maly Theatres in St. Petersburg and Maly Theatre in Moscow. With the Russian capital located in St. Petersburg, all major musical theatre events during the nineteenth century took place at the Mariinsky rather than at the Bolshoi.

After the October revolution of 1917, the capital was moved to Moscow and the situation drastically changed. All the best artists were invited to Moscow. Prior to that time, Anatoly Lunacharsky, who was the Cultural Minister of the new Soviet Republic, had to win a major battle in order to convince authorities that ballet and opera were not a mere bourgeois form of distraction but rather a truly great art that expresses the national glory of Russian people no less evidently than any economic, social or scientific achievements.

The importance of art as an ideological tool was understood quite rapidly by the communists and throughout the twentieth century, State support to the Bolshoi was outstanding even in the most difficult times. Stalin himself was often a guest in the official box of the Bolshoi Theatre. Galina Ulanova, Marina Semionova, Olga Lepeshinskaya, Maya Plisetskaya, Vladimir Vasiliev – these are only some of the names of legendary dancers who made the Bolshoi Ballet synonymous with the highest standards in classical ballet. From the first Bolshoi international tour in 1956, the Western world was confronted with a new face of Soviet Russia – talented, human, touching and expressive.

Today the Bolshoi Ballet Company comprises 220 dancers and is the largest classical ballet company in the world. It has faced some difficult times, however, particularly in the early 1990s after a decade of perestroika where the State for a while lost interest in the company; all former privileges were erased, all former relations were broken. The company had to find its place in the new country and it took several years to do so. The situation was aggravated owing to internal artistic crises. When Yury Grigorovich had to leave his post as chief choreographer after holding the post for 30 years, the Bolshoi Ballet Company was torn apart by different creative forces and no interesting projects materialized for years.

In 2000, Anatoly Iksanov was appointed General Director of the Bolshoi Theater and had to meet several challenges. One of the main ones was the renovation and reconstruction of the historic building of the company, which had been without any major renovation since 1856. The particular nature of the Bolshoi is that opera, ballet, orchestra and building all form an outstanding cultural institution known in the world as the Bolshoi. Hence during renovation, it was important not merely to reinforce basement and walls and to install new stage equipment but first of all to preserve a unique company. In order to do this, Bolshoi needed to have another place to perform and in 2002, the Bolshoi new stage opened. Finally, after years of discussions, the plan for Bolshoi renovation and reconstruction was approved and in the summer of 2005, the Bolshoi historic building was closed for repairs.

The top artistic goal was to enlarge the Bolshoi repertoire and to make the artistic life of the house interesting and dynamic as well as to open it more towards international artists. As a result, there was a great increase in the number of Bolshoi premieres. While the Bolshoi was operating on two stages, it produced an average of seven premieres per year. With the new stage only, the Bolshoi management decided to limit this activity to four major premieres per year: two operas and two ballets.

[36]See O'Connor (2005:244-258). See UNCTAD, *Creative Economy and Industries Newsletter*, No. 4, April 2007.

Box 2.7 continued **The Bolshoi: A sublime gift to the world**

Many famous international artists came to work with the Bolshoi, among them choreographers such as Roland Petit, John Neumeier, Pierre Lacotte and Cristopher Wheldon, and stage directors Francesca Sambello, Graham Vick, and Peter Konvichny. It goes without saying that the priority of the house is to stage works of Russian composers. Sixty per cent of the Bolshoi repertoire is made up of Russian music. The Bolshoi Ballet Company is the only ballet company that has all three Shostakovitch ballets; among recent premieres are Prokofiev's "Cinderella", "Go for Broke" staged to Stravinsky's score, and "Queen of Spades", created by Roland Petit to Tchaikovsky's Sixth symphony. Recent opera premieres include "Rake's Progress" (Stravinsky), "War and Peace" and "Fiery Angel" (Prokofiev), "Khovanschina" and "Boris Godunov" (Musorgsky), and "Evgeny Onegin" (Tchaikovsky). The need for dynamism also brought to the Bolshoi works of the younger generation of directors and choreographers among whom one should mention the artistic director of the Bolshoi Ballet Company, Alexei Ratmansky, and one of the most famous Russian contemporary opera directors, Dmitry Tcherniakov.

For such great artistic activity, the Bolshoi needed to reinforce its economic position. Confronted with this problem, Anatoly Iksanov invited McKinsey Company to examine ways to improve the Bolshoi's situation. Subsequently, Bolshoi management started to work in three directions. First, State donations to the Bolshoi have been dramatically increased. While in 2000 $12 million were allocated to the Bolshoi, the amount now surpasses $45 million. Special grants are given to major cultural institutions in Russia such as the Bolshoi and Mariinsky Theatres, the Philharmonic Orchestra in St. Petersburg and the Moscow and St. Petersburg Conservatories, which makes State recognition of these organizations quite tangible.

The second way to improve the Bolshoi was to increase its own income through ticket sales. The Bolshoi Box Office was the first in Russia to sell tickets well in advance through the Internet and to introduce eight ticket price ranges according to seat location. Owing to these changes, the Bolshoi annual cash flow grew from $2 million to $11 million. The $9 million difference is basically what the Bolshoi took away from scalpers. For students, however, the Bolshoi has a special programme that permits them to buy tickets at special prices, the equivalent of which is $1 to $2 per seat. A Board of Trustees was also organized, including leaders of Russian businesses such as Lukoil, Rusal and Severstal. It was important to Iksanov not only to obtain additional financial support but also to bring in Russian businessmen to share responsibility for the existence of a national treasure such as the Bolshoi.

Finally, the Bolshoi had to prove again its place as the world's leading musical theatre. In the past few years, the Bolshoi established very close connections with Covent Garden, La Scala and the Paris Opera. Seasons 231 and 232 exemplify Bolshoi's priorities and the geographical range of its tours: Berlin, London, Milan, Paris and Washington, DC. The best proof of the Bolshoi's success can be found in the response of the London press during the Bolshoi summer tour of 2007 (for example, Zoe Anderson, "The Bolshoi Ballet is back with a dynamic artistic director and exciting new productions", *The Independent*, 12 July 2007).

By Katerina Novikova, Bolshoi Ballet.

PART 2

Assessing the Creative Economy: Analysis and Measurement

CHAPTER 3 Analysing the creative economy

3.1 The need for systematic analysis

The formulation of policy strategies to foster the development of the creative economy at the local, national or international level cannot proceed in a vacuum. Three requirements are critical to providing the sort of information and analysis upon which sound policy can be based. These are:

- a systematic understanding of the structure of the creative economy, who the stakeholders are, how they relate to one another, and how the creative sector relates to other sectors of the economy;
- sound methods to analyse the functioning of the creative economy and to assess the contribution it makes to economic, social and cultural life; and
- comprehensive statistics to quantify the analytical methods and to provide a systematic basis for evaluation of the contribution of the creative sector to output, employment, trade and economic growth.

An evidence base is needed to understand the nature of and potential impact for growth and change in the creative economy. Evidence comes in many forms, quantitative and qualitative. The focus of this Report relies on the collection and analysis of quantitative data; in this sense, it echoes the work done by a number of national agencies to map their creative economy.[1] However, while the great value of these accounts lies in the fact that they present data within a normative framework that is directly comparable with other sectors of the economy, this is also a particular weakness. It is a weakness since it assumes, or at least presents the reader with the impression that, the creative economy is precisely the same as the rest of the economy. Likewise, the gross value added (GVA), or export and import structure, is the same, as is the nature of work. Given the ongoing debates and research being carried out on the "new business models" and their impact on the organizational forms and strategies of the creative industries, there is good evidence for questioning such an assumption.

There is no option but to present the same quantitative measures as are used for other industries; nevertheless, caution is urged in their interpretation. This chapter will highlight ways in which the creative industries seem to adopt or to occupy different organizational forms and business models. Accordingly, it is argued that this may have an impact on policy formulation. As such, it will be argued that quantitative data are necessary but insufficient for an analysis of a new and emergent sector such as the creative economy. Much more detailed work is required on the institutional forms and organizational particularities of the creative economy to engender confidence in policy prescriptions. In sum, this raises the question that researchers have been grappling with for a number of years, which is whether the creative economy is the same as the rest of the economy, if not why not, and in what ways is it different. Moreover, additional lines of inquiry are whether generic industrial policy is sufficient or a new formulation specific to the creative economy will be required. It is our view that a more nuanced understanding of the creative economy will be achieved with the collation of qualitative assessment and the analysis presented in this chapter. As a way of illustrating this point, this chapter will outline the particularities of the creative economy and their implications for the selection of tools for analysis and appropriate indicators for monitoring and evaluation.

This chapter is divided into three substantive parts. The first deals with the question of conceptualizing and describing the organization of the creative economy. The second part reviews tools of economic analysis that may be useful for the investigation of the creative economy. Finally, in part three, the value-chain model is used as a tool to facilitate analysis of the creative economy.

[1] See, for example, DCMS (1998), *Creative Industries Mapping Document*, London, plus others.

3.2 Organization of the creative economy

A key question usually raised concerning the creative economy is whether it is substantively the same as the "rest of the economy". There are two reasons for raising this issue. First, traditionally, matters relating to "culture and arts" have been dealt with as special cases, given their peculiar forms of production and the specific characteristics of their markets. Historically, cultural policy is considered as exceptional or a field with special needs based upon a welfare-economics conception of market failure balanced against cultural values. Second, many have argued that the creative economy is sufficiently different from the mainstream economy; therefore, specific rather than generic policy-making might be appropriate. This chapter develops this second line of argument. The starting point is to identify how and why the creative economy is different and in what ways it is necessary to do fine-tuning with generic analyses and policies.

Thus, this section is subdivided into three parts corresponding to identifiable dimensions of the creative economy that distinguish it as different or at least sufficiently unusual to merit the development or refinement of analytical tools. Attention is drawn to three critical aspects of the creative economy for policy-making. Initially, the basic organizational structure of the creative economy is examined, then the characteristics of its day-to-day operations, and finally some of the locational consequences.

In general, the creative economy is dealt with as a single set of activities. Nevertheless, there are significant differences between individual creative industries associated with markets, products, technologies and distribution systems. In fact, the debate about "convergence" highlights this point, seeking innovative possibilities to deal with these interactions. For the purpose of this Report, however, it is sufficient to begin with a set of policies and analysis of the creative economy in general. Clearly, there is scope for specific adaptation to particular industries and regulatory norms. The point to be stressed is that the creative economy is both internally coherent and sufficiently different from the "rest of the economy" to merit separate attention. In many ways, this conclusion is accepted since it retains the possibility of formulating creative economy policies that both attend to economic specificities while they may be open to incorporating special concerns that are critical to local and regional cultural identity.

3.2.1 | Organizational structures

The main characteristic of the creative economy is, in organizational terms, its "missing middle". This refers to the fact that there is a preponderance of a small number of very large firms working internationally, counterbalanced by a very large number of essentially local, micro enterprises, many of which are simply single persons. Despite the common image, the creative economy is not "one big machine" resonant of "Hollywood" in the early twentieth century. There is very little classical vertical integration of the kind most commonly associated with transnational corporations in other sectors. There is strong integration, horizontal and vertical, of parts of the creative economy; however, this does not extend to the micro enterprises and individual creative entrepreneurs.

Where a research scientist may work for a big pharmaceutical laboratory; a musician is unlikely to be an employee of a big music corporation such as Sony or EMI. The contractual relationship will exist, but it will be associated with the distribution of the final product and a proportion of the intellectual property rights (IPRs). Accordingly, there are a considerable number of artists working with large companies. A key role is played by a small number of separate intermediaries – usually referred to as "agents" – who broker deals between "creatives" and corporations. As will be further examined later in this chapter, the creative economy has evolved in this way in order to manage the large amount of risk involved in cultural business. This risk is not simply linked to the nature of the creative product and audience preparation, but it is also associated with the timing of reaching markets.

3.2.2 | Operational matters

In part, the organizational structure of the creative economy is a response to the possibilities of massive economies of scale through the mass production of creative products. The case of a music CD is a case in point. Limited costs may be involved in the composition and recording of content; however, the possibilities are for a million or more CDs to be sold over a short period, reaping considerable returns for all concerned. With every extra sale, profits increase as the initial investment is a one-off (aside from marginal distribution and marketing costs).

The possibilities of this style of production and its repetition are the reason why the creative economy is organized predominantly around "charts", which rank top-selling artists. Charts seek to both signal to consumers to buy and funnel consumption into a small range of alternatives (thereby reducing waste and stockholding). However, the result of chart-driven markets is that they are "winner takes all" in structure; profits are focused in a single or small number of winners to whom the majority of income goes; many others are lucky to cover their initial investment. Indeed, in the film industry, it is widely recognized that as many as 80 per cent of films will fall into this category; of course, it is the 20 per cent that make super profits and thus cross-subsidize the losses. The problem is that despite charts, as Richard Caves notes later in this chapter, the creative economy has a "nobody knows" characteristic regarding which ones will be successful or not.

Again, the creative economy has organized itself to adapt to such circumstances. The risks can be offset if one has a large enough portfolio and a sufficient turnover in any one year so that losses can be borne until profits come through. However, this does mean that it is extremely difficult for individual artists or smaller groups of artists to compete with such a model. The situation is exacerbated by the strong control of access to the market that a small number of distribution companies have. While the risk limitation of conventional distributors is understandable, it does have a limiting effect on the range of creative products that tend towards the norm and towards what worked before. Of course, with luck, a small producer may strike it rich. However, this is unlikely to be a sustainable model.

It is noteworthy that this fast turnover of products requires continuous innovation to develop new products. It also means that each product (a CD, for example) has a limited life and that it must be on the market in precisely the right window that accords with local taste. This can mean that several million dollars of development that has taken a year or more to achieve by a hundred or more people may turn on whether it reaches the market at precisely the right time and whether the consumers like it. In computer games, the window can be as narrow as 14 days; if the game does not enter the chart within this time, it is withdrawn and a loss is taken. This is a punishing innovation cycle compared to that of most industries.

A further aspect of the rapid innovation cycle is the micro-organizational form adopted by many in the creative economy. The most popular form is not the classical firm but the project. A project team may be formed from personnel within a firm or with an informal network. Members will be selected to fit with the desired product. For a short time, they work as one in intensive development; after the product is completed, the project team disintegrates and participants reform as new teams. Thus firm life can appear to be very short; however, the resources and expertise are in the labour pool. Film making is characterized by this format. While in some industries such as advertising project team members may be continuously employed by a "holding company", in many other industries, all of the participants may be free-lance or self employed. Thus close attention is needed in terms of local strategies, data collection and labour-market analysis in the creative economy if these unique characteristics are to be accurately captured and understood.

3.2.3 | Locational issues

The organization and operational peculiarities of the creative economy lead to a particular locational characteristic: clustering. Although clustering, or at least co-location, can be identified in many industries, the particular nature of clustering is both important and a defining characteristic of the creative economy.

In principle, much of what happens in the creative economy can be transmitted in digital form and hence, one might expect, there would be little spatial pull of particular locations. However, as noted earlier, clustering is a solution to enable the benefits of labour pooling and re-employment of workers on new projects. Moreover, co-location and labour mobility have a further benefit, namely, that knowledge and expertise are constantly circulated and updated across firms and projects. Furthermore, in many cases, the location in a consumption centre facilitates a short circuit of production and consumption, allowing new trends to be developed and tested. In these districts, there is considerable informal exchange of information and ideas among competitors that serves them all by keeping them at the leading edge of their industry. Conversely, producers who are isolated from such settings are at a considerable disadvantage as they may be slightly out of touch or behind the times. As noted earlier, in winner-takes-all markets, such failure is punished severely.

3.3 Economic analysis of the creative industries

A number of methodological approaches may be adopted in undertaking economic analysis of the creative industries. The most common of these are basic industrial organization analysis, value-chain analysis, inter-industry analysis, locational analysis, copyright and intellectual property, and contract theory.

3.3.1 | Industrial organization analysis

The most basic form of economic analysis is to measure the standard economic variables for which data are routinely collected for all industries by statistical agencies: gross value of production, value added, fixed capital formation, levels of employment of different categories of labour, business concentration and so on. This enables the structure, conduct and performance analyses to be carried out according to the traditional methods of industrial organization theory. Studies of the economic contribution of creative industries may be of value as a means of demonstrating, for example, that they are not some minor economic backwater but account for a larger proportion of GDP than the casual observer might have imagined.

3.3.2 | Value-chain analysis

One of the most straightforward and widely recognized methods for analysing the structure and function of the creative industries is value-chain analysis. In its simplest form, the analytical model of the creative production chain is one where the initial creative ideas are combined with other inputs to produce a creative good or service that may then pass through further value-adding stages until it enters marketing and distribution channels and eventually reaches the final consumer. The strength of this approach is that it is sensitive to both individual action and context, especially institutions, networks and their governance.

For some creative goods, this apparently simple process can become more complex as the creative idea is transformed or reformatted at successive stages. For example, a musical idea might begin with a composer writing a song and passing it on to a publisher who puts it into tangible printed form. From there, the idea might be realized as a live performance before an audience, with the performance subsequently being recorded and marketed by a record company. The record will pass through a sequence of wholesale and retail value-adding until bought by a consumer or it may be uploaded onto the Internet and subsequently accessed by consumers who pay a price for online delivery. Thus the overall chain can become quite attenuated, one effect of which is to diminish the relative share of total revenue accruing to the creator of the original idea.

Figure 3.1 presents a generic creative-industry value chain[2] encompassing four different stages: (a) creation/conception – where the development of an idea or concept takes place; (b) production/reproduction – the stage at which an idea or concept is developed further and then packaged; (c) marketing and distribution; and (d) consumption. One or more stages of the value chain may be carried out by the same enterprise or individual, and, depending on the product, several different skill groups may be required to complete the chain. Consequently, creative industries' value chains can differ widely in terms of degrees of complexity. The chain of the film industry is often quoted as being among the most complex because it embraces a multitude of interdependent stages and skills drawn from various subsectors of the creative industries, with each skill group required to execute key functions in an organized, networked fashion. In contrast, the commercialization of visual arts can entail a significantly shorter value chain that may well include only two participants, i.e., the artist and the gallery (if the artist does not sell directly to the public). In terms of competition analysis, each stage of the value chain can represent a distinct market and there may be differences in the degree or intensity of competition between the different stages.

An empirical estimate of the value added at each stage in a value chain is provided by a study undertaken for the creative industries in Canada in the year 2002.[3] The total value added was estimated as shown in table 3.1. It is apparent that the production stage of the value chain is the most significant in terms of value added, accounting for about half of the total cultural value added according to this analysis. A further illustration of the application of value-chain analysis is given in the next section.

[2] See A. C. Pratt (2004) "Creative clusters: Towards the governance of the creative industries production system?" *Media International Australia* (112:50-66); A. C. Pratt (2004), "The New Economy, Creativity and Consumption", in *International Journal of Cultural Studies* (7.1:117-128), March.
[3] Quoted in the OECD study by Gordon and Beilby-Orrin (2007:39).

Figure 3.1 Creative-industry value chain

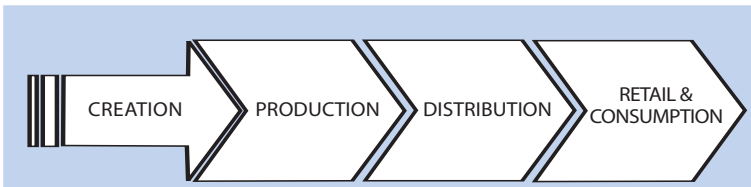


Table 3.1 Value chain in the cultural industries in Canada, 2002

	Total cultural value added (in millions of $Can)
Creation	5,713
Production	19,829
Support services	4,231
Manufacturing	7,285
Distribution	2,865
Total	**39,923**
Proportion of GDP (%)	3.46

Source: Statistics Canada.

3.3.3 | Inter-industry analysis

One of the most long-standing techniques for studying inter-industry relations is input-output analysis. Its capacity to depict the ways in which output is produced and distributed in the economy, and to capture the direct, indirect and induced effects on industries, consumers and government of a range of external stimuli is well known. In regard to the usefulness of input-output as a tool for economic impact analysis in the arts and cultural industries, two considerations stand out. The first is that few input-output tables that have been constructed for whole economies or parts thereof have contained a sufficiently detailed breakdown of the arts and cultural industries. Often the arts will be included, if at all, under "recreation", "leisure", "other services", or some other categorization too broad to enable meaningful analysis of the cultural sector. The second problem is common to all input-output studies, namely, the stringent data requirements. Even input-output tables constructed at a relatively high level of aggregation can be estimated only after extensive data gathering, including the necessity of some data collection from primary sources. The combination of these two problems places a serious constraint on the extent to which input-output analysis can be used for studying economic impact in the creative sector.

Some of close relatives of input-output analysis may be somewhat easier to apply. For example, social accounting matrices (SAMs) are not quite so demanding of data and yet enable a similar sort of analysis of the inter-industry effects of economic change. SAMs enjoyed a vogue during the 1970s and 1980s, especially in the World Bank where they were exhaustively investigated as a workable tool for development planning. At that time, interest focused fairly heavily on the traditional sources of growth in developing countries – agriculture, secondary industry, infrastructure, etc. Now, with the increasing attention being paid to the role of creative industries as a source of economic growth in these countries, it may be that SAMs could enjoy a revival of interest as a means towards more rigorous analysis of the economic functions of these industries, assuming, of course, that the necessary data can be found – this is not the case at present.

A specific aspect of inter-industry relationships that may not be fully picked up in the above-mentioned forms of analysis is the existence of beneficial spillovers from the creative sector to other parts of the economy. Generally it is very difficult to capture these external effects without specific surveys and measurement tools. Nevertheless, such positive externalities might include:

- *knowledge spillovers*, where firms benefit from new ideas, discoveries or processes developed by other firms, e.g., through their R&D activities;
- *product spillovers*, where the demand for a firm's product increases as a result of the product development of another firm, such as when the demand for CD players rises as a result of the development of the CD;
- *network spillovers*, where firms gain benefits from other firms that are located nearby, such as in the clustering of film production services in particular areas;
- *training spillovers*, when labour that is trained on one industry moves to another, as when actors trained in the subsidized theatre move to commercial theatre or television;
- *artistic spillovers*, where the innovative work of an artist or a company advances an art form to the benefit of other artists or companies.

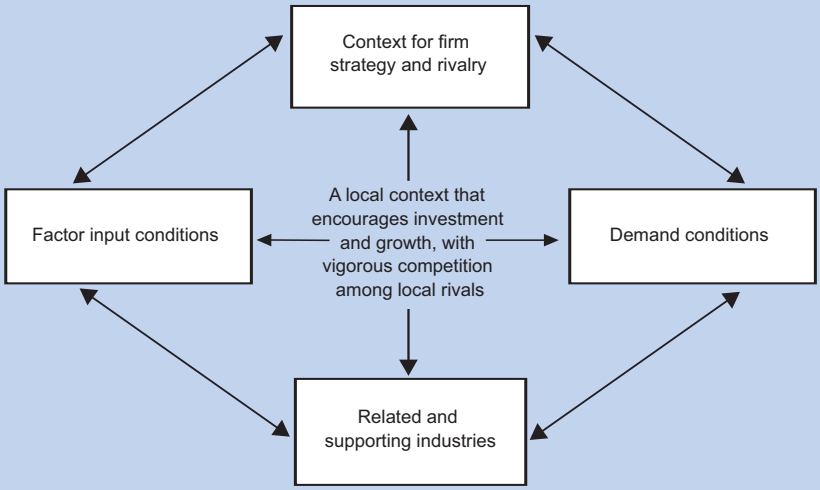
3.3.4 | Locational analysis

An important approach to economic analysis applied to the creative sector is the model of creative clusters due to Michael Porter. In his original work on the competitive advantage of nations (Porter, 1990), he put forward a micro-economic based theory of national, state and local competitiveness in the global economy in which clusters have a prominent role. Clusters are geographic concentrations of interconnected companies, service providers, etc., that compete but also cooperate.

Porter's model is often depicted in the form of a "diamond" showing the sources of locational competitive advantage. A simplified version of the diamond is shown in figure 3.2. This model is readily applicable to the creative industries, where the opportunities for creative clusters are evident in subsectors such as film production, fashion, design and so on.

Although creative clusters may grow of their own accord when commercial businesses spontaneously sense the advantages from co-location with other firms, there may also be a role for policy to start the process. For example, start-up investments may be facilitated via government programmes to encourage firms to locate in a particular area, with a view to enabling the industry to become self-sustaining once a critical mass has been reached. Some researchers, however, have pointed to the relative weaknesses of the standard Porter model of business clusters in relation to international transfers and international organizations.[4]

Figure 3.2 Simplified diagram of Porter's model for clusters



Box 3.1 Creative clusters

A distinctive feature of creative enterprises is that they thrive only in one another's company. Whether they are artists in the East End of London, film makers in Bollywood, fashion designers in Milan or animators in Seoul, creative enterprises gather together in visible hot spots which, when fully established, become self-sustaining clusters of creative activity. This happens at every level, from the media centre in a small town to global centres such as Hollywood.

The purpose of the United Kingdom Creative Clusters Conference (www.creativeclusters.com) is to understand why the sector develops in this way and to examine the consequences for development policy. As we do this, it becomes apparent that the lessons learned have a wide application across other areas of social and economic development.

Why clusters?

Clustering is not confined to the creative sector. Specialist markets, neighbourhoods devoted to particular trades and region-based industries have always existed. Clusters develop naturally, often linked historically to a natural advantage, and they persist as long as it is in the interests of new enterprises to

[4] See A. C. Pratt (2008), "Cultural commodity chains, cultural clusters, or cultural production chains?" *Growth and Change* (39:95-103).

Box 3.1 continued **Creative clusters**

join them. There is a substantial literature analysing clusters, from Alfred Marshall in 1920 to contemporary economists such as Michael Porter and Michael Enright. Broadly, they agree that clusters confer competitive advantage on their constituents because:

- proximity sharpens competition and drives up standards;
- proximity encourages collaboration and diffusion of good practice between firms;
- a sophisticated local market can develop around a cluster, stimulating innovation and improving marketing;
- clusters can develop place-based branding, benefiting all firms in the cluster;
- proximity enables small companies to band together into alliances and networks, giving them some of the advantages of larger ones – for example, by giving them better access to suppliers and resources;
- an infrastructure of specialized professional support services is encouraged to develop; and
- clusters become a focus and a magnet for outside investment.

Like coal and steel clusters, clusters of creative businesses may owe their original provenance to an accident of geography or climate: Hollywood, it is said, is there because of the sunshine. There are, however, some special reasons why clustering occurs in the creative sector and why it is found right down to the level of individual streets and buildings.

While creative people are highly mobile, the big producers and distribution companies on which they ultimately rely are not, so creative talent is drawn to the places where distributors are located. Creative businesses need this pool of specialist labour to scale up to cope with big projects such as films and games. In its turn, this talent pool of creative people and services encourages a discerning local market, which is essential for creative producers to understand new trends and fashions, the engine of innovation in this sector. A sophisticated local market is a key component of a creative cluster: creative clusters are clusters of both production and consumption.

Reputation is a critical and often overlooked factor. No matter how much intellectual property their past work has generated, the future prospects of a creative enterprise are determined by its reputation. The best place to build and manage reputation is at the centre of the action, among discerning peers and customers eager to spot new trends and talent. The reputation of the cluster itself is also important. Everyone associated with a successful cluster shares in its reputation so new arrivals receive a free gift, a small boost to their kudos, just for turning up and joining in. In addition, once a place has a reputation as being the centre for a particular specialism, it is hard for new places to displace it. A cluster's reputation is the key indicator of its sustainability.

These are the factors that explain the peculiar dominance of places such as Hollywood, London and Paris in their respective creative sectors.

Business engagement

Many cluster programmes find it hard to win the support of existing businesses. Local firms may discourage "incomers" and tend to prefer closed networks to open clusters. Larger firms may not take part at all or will use cluster programmes to consolidate their position. There may be a reluctance to commercialize cultural products, particularly from creative enterprises used to the non-profit sector.

The root of the problem is that creative enterprises are in business not for economic development but for their own mixed cultural and business purposes, so arguments couched in broad development terms will not win them round. Nevertheless, the engagement of creative people is essential to the success of any cluster programme, and a key task for the cluster manager is to find the programmes and the language that will make allies of them.

Creative clusters are hard to develop (and perhaps harder to define), but the characteristic features of successful clusters are widely agreed:

- connectivity to the world: creative entrepreneurship thrives where local and global cultural forces interconnect;
- cultural diversity, free trade and free expression: openness and a through-flow of new people, new ideas and new products;
- production and consumption: the beginning and end of the supply network (maybe not the middle); and
- more than business: art, education, culture and tourism.

Finally, some exciting "big-picture" insights from Creative Clusters Conferences begin to show how policies for the creative industries are relevant to all sectors of the global economy:

- places without strong creative clusters will lose their creative people and businesses to places that have them;
- locally rooted creative clusters are highly resilient to global competition;
- a key survival strategy for non-knowledge-based firms is to anchor themselves to local creative industries;
- building creative clusters requires that cultural and economic development come together and act in concert; and
- cultural diversity is an economic asset and a source of competitive advantage.

By Simon Evans, a cultural entrepreneur and founder of Creative Clusters Ltd.

3.3.5 | Copyright and intellectual property

The relatively new concerns with the creative economy have highlighted the fact that material goods may be separated from their symbolic, cultural or artistic values through cultural production processes, notably via digitization. This is not a new problem; it is one that IPR/copyright seeks to address. What is new is the balance of value divided between the material and the virtual, and the possibility of separating them. Previously, many IPRs were regulated de facto via the regulation of physical goods in which IPRs were effectively locked up. Much of the commercialization of the creative industries has involved the innovation of new ways to lock up valuable IPRs in physical or virtual containers (encryption is an example). The recognition that the intellectual property is where a large share of values lies has been reflected in the shift by large corporations to include IPR and brand value on their balance sheets and to present them as a core component of company valuations.

The challenge for researchers and policy-makers as well as those concerned directly with the creative economy is threefold: how to measure the value of intellectual property, how to redistribute profits, and how to regulate these activities. As will be further elaborated in chapter 4, the measurement of intellectual property is very difficult using tools that were developed mainly to capture the physical movement of goods. Regulation and redistribution remain interrelated and problematic. Poor or irregular distribution of IPR earnings due mainly to institutional inadequacies undermines the legitimacy of an IPR legal regime.

Moreover, there are some structural challenges to policy and practice associated with uneven development. The creative industries as a whole are characterized by first-mover advantage and a winner-takes-all form. Thus, the developed world is in a strategically very powerful position. Furthermore, the legal resources and techniques elaborated in the developed world do not mesh with more traditional methods of attributing cultural and economic values. This leads to the perfectly legal, but morally anomalous, position of a company from a developed country that can use an unregistered intellectual property in a developing country and register it as its own in another country. The developing country then has no legal claim to what it may regard is its own intellectual property. It is for this reason that considerable assistance is needed to extend the logic of intellectual property in the developing world and to sustain a viable system for the collection and distribution of IPRs.

3.3.6 | Contract theory

Complex creative industries such as film and television production depend on the existence of contractual arrangements at all stages in the value chain. Richard Caves' book on the creative industries (2000) identifies the peculiarities of cultural production that cause contracts in the creative industries to be unlike those in other areas of the economy. Caves proposes that creative activities are characterized by several fundamental properties, beginning most importantly with the uncertainty of demand, epitomized in the well-known Hollywood aphorism, "nobody knows". This property means that at virtually no stage in the production sequence can the project's final outcome be predicted with any degree of assurance: sleepers inexplicably turn into smash hits, and sure-fire successes flop. Next comes what Caves labels the "art-for-art's-sake" property, the fact that creative workers care passionately about the quality of their product and will therefore often behave in ways that are contrary to the predictions of rational market labour theory. Other characteristics of creative products that he suggests include their infinite variety, the fact that they require diverse and vertically differentiated skills, and their durability, which enables them to yield rents over a long period. These properties make it all but impossible to write a complete contract at any stage of the game. So, in response to the dual motivation of artistic and economic incentives, the creative industries have evolved a variety of means for organizing themselves and for doing deals that serve the interests of all participants as effectively as possible. Caves' analysis relates to the creative sector of the United States and at present is of limited relevance to most of the developing world. However, as the creative industries continue to expand and become more diversified in developing countries, the importance of an effective contractual basis for their operations is likely to grow, as illustrated in the examples presented in the boxes and subsections.

The general case for value-chain analysis can be considered compelling. However, work on the organization of creative production chains has pointed to the importance of audience feedback and critique as well as market research on the creative economy. Moreover, while value-chain approaches have sought to maximize economic value, production-chain approaches have sought to stress the nature of the cultural product as well as price. This is why we advocate production-chain approaches. More sustainable cultural production systems have well-developed critical feedback mechanisms, and less sustainable ones, little feedback. The development of this "critical culture" often rests on a longer-term investment in the funding of public arts and education as well as the promotion and sustenance of a viable civil society; these latter resources are commonly weaker in the developing world.

3.4 Structure of the creative industries

As a consequence of practice in the creative economy,[5] the profile of the creative industries is distinctive although, in a broad sense, the structure of the creative economy is much the same for industrialized and developing countries alike, comprising a productive sector, a distribution and marketing network, and a body of consumers who demand creative output in its various forms. However, there are likely to be differences between countries in the relative importance of the different components of the creative economy, depending particularly on countries' different stages of development.

3.4.1 | Predominance of small and medium-sized enterprises

Small and medium-sized enterprises (SMEs) – many of which are micro or sole trader businesses – predominantly populate the various stages of the supply chains of creative products in many countries. Information from available studies confirms that this market structure is evident across both developed and developing economies.[6] Micro and small enterprises are especially evident at the top of the supply chain (creation stage). The prevalence of individuals and SMEs is not unexpected given the reliance of creative industries on creativity. There is a chronic oversupply of talent. Indeed, UNCTAD (2004) states that creativity is deeply embedded in every country's cultural context so that all countries are assumed to have at their disposal an abundance of raw creative talent and as such, the potential to grow creative industries. At the level of the individual, talent is unique and results in monopolistic competition[7] based on a differentiated product (talent), which softens competition and lowers the barriers to entry.[8]

In some countries, creative SMEs exist alongside and compete against a few large vertically integrated firms, resulting in asymmetric competition. For example, in the United Kingdom, particularly in software and computer games industries and to a lesser extent in advertising and film, small firms compete against significantly larger multinational firms. Cutler & Company (2002) paints a similar picture for the interactive games and advertising industries of Australia. According to HKDC (2002), the Hong Kong Special Administrative Region (SAR) of China is the advertising capital of Asia and the Asian hub from which many international advertising, architecture, design, and art and antiques agencies run their regional operations.

Creative industries are characterized by interlocking and flexible networks of production and service systems spanning the entire supply chain. Thus, notwithstanding the asymmetric competition between the small and larger creative firms, the available evidence suggests that smaller creative firms do gain from the presence of larger firms in the industry to the extent that these larger firms and multinationals are an important source of commissions and capital whether through subcontracting and outsourcing arrangements or joint ventures.

Strategies for developing domestic creative industries that are outward-looking and actively target FDI and export markets in addition to local markets for creative products appear to be a key feature of successful creative industries. In this context, East Asian countries stand out. For example, the Singapore strategy is aimed at establishing a reputation for Singapore as the new creative hub for Asia. Among the list of international creative industries, Singapore has succeeded in attracting international film financing company RGM Holdings, electronic games developer Koei from Japan, and automotive and product design studio BMW Design works. In addition, 53 foreign media companies have set up regional headquarters or hubs in the last four years. Similarly, the industries of Hong Kong SAR are highly export-oriented given the small size of the local market and have benefited from their spatial and cultural proximity to the huge market of mainland China. Likewise, the creative industries of the United States, which are very competitive and have an established reputation, vigorously pursue opportunities in export markets.

[5] It is important to note that there are also significant differences within the creative economy in different industries in terms of employment norms, training, and ownership.
[6] See, for example, Kamara (2004); UK Trade & Investment (2005); KEA (2006); New Zealand Trade and Enterprise (2006); Higgs et al. (2007); and HKTDC (2002). It should be noted that the size measurements are relative as what is small in one context might be considered medium-sized or perhaps large in another.
[7] Competition among many sellers whereby no one seller can influence its rivals directly and competitors' products are differentiated even if by very small dissimilarities.
[8] The requirement for prior investments in formal education represents a constraint to entry for certain creative professions although this is probably less applicable to the cultural subgroups of the creative industries.

The prevalence of SMEs in the creative sector underlines the need for policy-makers to address size-related constraints. SMEs in creative industries are susceptible to the same constraints that afflict small enterprises in other areas of the economy. Chief among these constraints is access to finance to develop creative projects. The transformation of creative ideas into goods or services is usually capital-intensive and the cost of technological inputs or other professional services can be significant for these industries. In short, access to finance remains one of the key hurdles for creative entrepreneurs looking to realize their creative ideas. As already mentioned, larger enterprises are one source of finance to SMEs. Creative SMEs do better in economies where the financial sector is better adapted to financing SMEs and where creative industries are officially recognized. In this context, SMEs in most developing countries are at a disadvantage, particularly since the concept of creative industries is still very new and financial institutions are traditionally risk-averse.

Other challenges faced by SMEs include a lack of business skills relating to marketing and financial management, information asymmetries and resource constraints affecting access to up-to-date technologies. In many developing countries, the support network of local industry participants providing complementary services is largely absent when compared to more developed countries. Consequently, the competitiveness and ability of developing countries to grow recognizable industries in the creative sector are compromised. For instance, in many developing countries, it is more common that the proprietor fulfils a number of organizational roles – producer, agent, marketer and retailer (see, for example, Ambert, 2003, and The Trinity Session, 2003). This is significant because the level of specialization or availability of local, specialized participants along the supply chain appears to be highly correlated with the competitiveness of creative industries. On the whole, the supply chain of creative industries in many developing countries appears to exhibit a number of gaps and fragmentation. In particular, there is an absence of intermediaries who play an important role as gatekeepers.

Gatekeepers perform an often critical role in creative industries because there is a considerable amount of uncertainty about whether or not a creative idea will be commercially successful both at the early and later stages of the value chain. The gatekeeper effectively picks the winners from losers. For instance, galleries or art agents who interpret and promote visual arts are gatekeepers and the tour operator performs a comparable function where tourism[9] is concerned. Similarly in the audiovisual, book and computer games industries, various intermediaries such as talent scouts, agents, editors, recording studios and publishers function as gatekeepers and can be critical to enhancing the marketability of talent and creativity in addition to securing distribution deals.

For example, there are numerous cases in the music industry of South Africa where there remains a dearth of entertainment lawyers despite the fact that the music industry in this country is fairly well established. Consequently, artists often opt to sell all their rights in exchange for a one-time upfront payment.[10] This practice is criticized by some commentators because they interpret this as a choice to forego a regular and steady flow of income in favour of a livelihood that is dependent on a punishing schedule and the prolific release of albums. An alternative interpretation is that this is, in fact, a pragmatic approach in light of the fact that individual artists are ill-equipped to manage their rights and doing so would in any case be extremely complex and costly. Indeed, the advice from WIPO would seem to support the latter interpretation.[11] Further support for the latter interpretation can be found in an oft-repeated complaint by the Caribbean music industry that collection societies in developed countries fail to capture airplay and live performance statistics for Caribbean music played overseas while the Caribbean collects and distributes significant royalty payments abroad. This perceived unfairness in treatment means that Caribbean artists receive very little by way of royalty payments from outside the Caribbean and it is further motivation for artists in developing countries to opt for one-off payment.

Many artists in developing countries, and most recently also in developed countries, are turning to live performances as the main source of their livelihood because this avenue allows them to capture revenues directly. Madonna is the most recent high-profile artist who has taken this route by swapping her record label for an event promotion company. Indeed, Legros (2006) states that creators may benefit from the distribution of illegal copies in that even if they cannot

[9] Tourism is an important vehicle through which many creative products access consumers.

[10] High levels of piracy, in addition to general unfamiliarity with copyright systems and the considerable administrative workload and costs relating to administering copyright, provides an additional incentive to many creators in developing countries to sell their rights in exchange for an upfront one-time payment.

[11] The WIPO guide on copyright and related rights for SMEs makes the point that one-off payments will often add up to much greater profits for business than direct exploitation of copyright by the author, creator or copyright owner.

appropriate the monetary gains, they may be able to appropriate the reputation gains (e.g., positive effects for live-performance audience numbers) and as such tend to favour weaker copyright than would distributors. The move by the artist Prince to give away "free"[12] copies of his new album in collaboration with the London Daily Mail newspaper in the lead-up to what turned out to be a very successful series of live concerts is a case in point.

Notwithstanding the positive role played by gatekeepers in creative industries, the fact that the supply of talent typically far outstrips the number of gatekeepers in any one industry is of concern because it accords the gatekeepers market power that manifests as asymmetric bargaining power between individual creators and gatekeepers. It also creates points of congestion along the supply chain. This situation has a profound influence on contract terms and can result in low returns, particularly for creators who have not already established a reputation for themselves.

3.4.2 | Large-scale corporate enterprises

In the global economy, the largest producers of creative goods and services measured in terms of value of output are large commercial corporations, located particularly in the audiovisual and publishing industries. Within national economies, large corporate enterprises are found to a varying extent in the cultural subgroups, their size depending on the country's stage of development. Sometimes they arise through the growth of domestic firms producing creative goods, and sometimes they occur as subsidiaries or branches of larger transnational corporations. The business models in these subgroups of the creative economy are different from those applicable to the sorts of enterprises discussed earlier. For example, large-scale commercial operations have more complex value chains, more differentiated management structures, and a larger labour force than firms at the smaller and simpler end of the spectrum.

Large enterprises producing creative goods and services are often involved in areas using new communication technologies with digital applications and supplying mass consumer markets. Although the goods and services produced are classifiable as cultural products, the motivations of the firms are likely to be more profit-related than cultural in nature. Furthermore, if the enterprises are subsidiaries of larger corporations whose headquarters are located elsewhere, host countries may lose some or all of any surplus earned if profits are repatriated to the parent company.

In higher-income countries, the creative economy tends to be more technologically advanced and service-oriented and the creative industries tend to be dominated in financial terms by large conglomerates. In many cases, these enterprises have strong market power in important creative subsectors such as computer services and software, media and entertainment, and publishing and printing, which are dominated by global corporations. The four major companies in software are all United States-based, the largest being Microsoft with profits in 2005 exceeding $8 billion. The biggest media, music, entertainment and publishing companies on a world scale are based in France, Germany, Japan and the United States, the two largest being Time-Warner and Walt Disney.[13]

3.4.3 | Public or quasi-public cultural institutions

A significant amount of the movable and immovable cultural capital of any country is held in public or quasi-public institutions such as museums, galleries, archives, monasteries, shrines, historic buildings, heritage sites, etc. In addition, these institutions are also often repositories of intangible cultural capital, as in the case of heritage locations, for example, which are inextricably bound up with their history and with the rituals and customs with which they are associated. These institutions contribute cultural output primarily in the form of services, consumed by both local people and visitors. With regard to the latter, the tourism potential of some of these institutions may be substantial. Hence, to the extent that they attract international tourists, they may be able to make a significant direct or indirect impact on the foreign exchange earnings of the country.

3.4.4 | Individual artists and producers

Creative workers of one sort or another – primarily creative artists such as actors, dancers, musicians, sculptors, painters and writers – are found at the originating end of the

[12]The newspaper is reported to have compensated him handsomely, so this case is also an example of an alternative distribution system that bypasses mainstream distribution channels. There are many other examples of musicians, both big and small, who are testing the boundaries of the current system. An emblematic example was that of the band Radiohead that, in 2007, offered its new album online for a voluntary contribution. This is clearly an important potential site for policy and institutional innovation that has opened up.
[13]Data from the Fortune and Forbes rankings, quoted in Anheier and Isar (2007:448).

value chain. They supply the raw creative material that may be sold as finished product directly to consumers or, more often, as inputs to the next stage in a given production sequence. Whether in a developed- or developing-country context, the artistic content will often be drawn from cultural forms and practices belonging to the country or to the local community. Despite the high levels of skill that these practitioners typically have, their financial reward tends to be relatively low. Nevertheless, the practice of the arts is likely to yield substantial cultural value, and the non-market benefits that artists generate need to be recognized and promulgated in policy strategies towards the cultural sector.

What is the relative importance of these four groups of producers in the productive sectors of the creative economies of countries at different stages of development? In particular, how does large-scale commercial cultural production relate to the economies of countries in Africa and Latin America? If experience from the industrialized world were applied, it could be concluded that the large-scale, digitally oriented, mass-consumption industries could be seen as the agent for economic dynamism and structural transformation in the developing world as well. Certainly, this has been true for those developing countries already embarked on a rapid growth path such as the emerging economies of Asia; their development policy continues to provide a strong focus on promoting commercial creative industries. For the majority of the developing world, however, more widespread and more far-reaching gains are likely to be found by concentrating attention on fostering smaller-scale enterprise and encouraging a more locally oriented process of linking economic and cultural development.

Nevertheless, whatever the stage of development, in ideal terms, all four groups discussed above need to be accounted for in any creative-industry strategy. While it is important to recognize that community-based development may have better immediate prospects of achieving poverty alleviation and other economic and social goals at the local level than does a reliance on the "trickle-down" from larger-scale commercial development occurring primarily in urban centres, countries in a globalizing world cannot afford to remain outside the knowledge economy. They thus need to cultivate the creative industries that will facilitate access to the benefits of the information age within the limits imposed by their particular stage of development.

Box 3.2 Broadcasting creativity blooms in South Africa

Post-apartheid South Africa has seen television achieve its current state of unprecedented creativity in just over a decade through a series of contradictory influences that makes it unique. The country has shaken off the bonds of national culturally specific media, and the modern media, including television, are influenced by the pressures of diverse cultures and interests. They have given rise to highly creative and popular local content as well as a continuous output of material of questionable cultural value. Two Oscars awarded to South Africans have at the same time propelled ambitions to the global markets, seemingly unaware that international standards take time to develop.

Media seem divided between the commercially owned and profit-driven media, the public and government-owned media, and the community-owned media. There is no community television yet in South Africa, mainly as it is vehemently opposed by the interests within community radio and community print media.

At first glance, South African television consists of the polar opposites of public and commercial television. However, the situation is not as simple as that. The regulator, the Independent Communications Authority of South Africa (ICASA), dictates the percentages of local content, often specifying the genre and time slot. Local content in general costs ten times imported foreign content. The local soap opera, "Generations", costs about $24,650 for half an hour compared to $2,300 for the same duration on imported "Bold and the Beautiful", yet they both charge the same for a thirty-second spot ($8,300). On this basis, "The Bold" makes twice as much in clear profit as the local "Generations". Local content in this way needs to be cross-subsidized by low-cost fare that is important to both commercial and public television.

There are now three broadcasters: SABC with three channels and the lion's share of the market; one commercial free-to-air station, e.tv; and the satellite broadcaster DStv, which broadcasts over 60 channels (a few of them locally produced) by subscription only. There are 9 million households with television in South Africa. DStv has 1 million of them (at $63 a month). Its local channel, M-Net, combines with the local sport channel, SuperSport. Print media, television and radio remain the main sources of information, as the Internet is still accessible to only 10 per cent of the population.

Commercial television accepts these local content quotas (and the higher cost of content) as the price it must pay for the operating licence. It appeals to the creativity of writers, directors and producers to make local hit programmes that, despite their high cost, still make a profit, draw in large audiences and develop channel loyalty.

Commercial television is also behind the mass purchase of international formats such as "Weakest Link" and "Big Brother". Thus, while it encourages local creativity, it also stifles it with imported formulaic stagnant programmes that tend at the same time to enforce the mediocrity that comes with globalized creativity.

Box 3.2 continued **Broadcasting creativity blooms in South Africa**

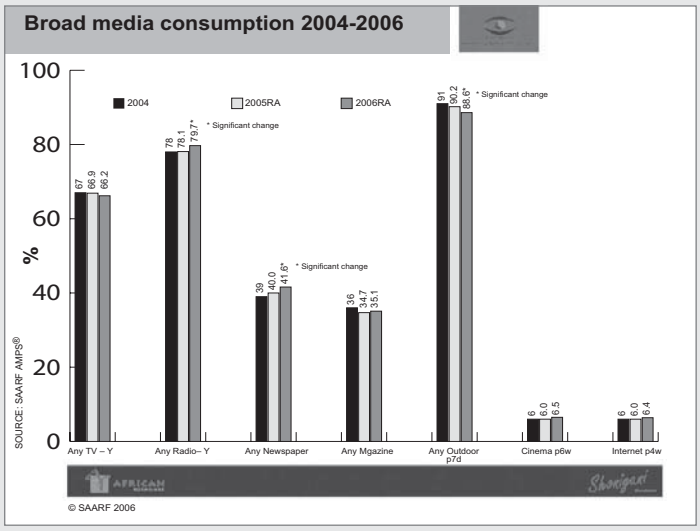
On the other hand, the public broadcaster (SABC) has innate contradictions of its own. It has a stringent public service mandate, a local content quota of 80 per cent, and a mandate to pay for itself through commercial programmes. Naturally, it, too, wants to make a profit that provides for further capital expenditure, so it rushes to buy the least expensive, imported hit programmes and also the sanitized formats that deliver higher income at lower risk. However, it will also try to leverage popular appeal and the resultant income from popular local programmes.

Profitable local content, however, is not always possible for a public broadcaster mandated to produce educational and public information programming (a programme on legal rights is hardly likely to attract the same revenue as a soap opera). The content of public television programmes has been largely orientated towards the provisions of government priorities and constitutional mandates. Hence programme themes are closely related to "nation-building" from HIV avoidance to gender equity and non-discrimination. Even local public soap operas have social intentions, and the global models for socially responsible drama are closely followed.

The television sector has grown appreciably. The increase in ad revenue over the years 2000-2006 indicates growth far in excess of that of other national indices such that for television, ad revenue grew more than 259 per cent and for the cinema, it increased by 564 per cent in the same period (AC Nielsen).

This growth in income has largely had to pay for local product. Between 2000 and today, local content has grown by a factor of three, replacing the far more profitable imported product. Unfortunately, this has not had a significant impact on job creation. Less expensive equipment also leads to greater efficiency, with fewer people required to do more work. Perceptions are that busy people are working harder and do not have the time to train the new entrants, who then find it slow to gain experience. Despite the country's focus on outcome-based training, there has been slow growth in the number of outcome-based trainers.

South African content has made little global impact. There is a regular flow of soap operas into other African countries, but the latter pay very little for this content although where sales occur, such as in Jamaica, they receive much media hype. There has always been a steady flow of wildlife programming, but again these are largely commissions from the global channels. Sales are made into the Caribbean, and while South Africa buys Hollywood and Bollywood movies, there is no reciprocal flow. As such, the rest of the world is the serious competitor, and the first signs of South African cultural promotion may be apparent at the Soccer World Cup in 2010.



There is hardly any government support for television. SABC has receipt of the local television licences ($32 a year), but nearly half of households do not pay and SABC must pay for the cost of collection. It is hoped that, when SABC goes digital terrestrial, licence collection will increase to almost 99 per cent at a negligible cost of collection, but this will start only at the end of 2008, with analogue switch off at the end of 2011.

Yet South Africa has a major lesson to offer the world: if you are going to promote your television industry, promote it actively and forcefully. Lessons from many other countries show that deliberate and bold action over a sustained period makes an impact. The belief of the Government that the creative industries should pay their own way is largely the reason why the growth has been small and the global trade insignificant.

There also have been no formal or statistically acceptable skills, jobs, turnover or tax contribution audit. There is no national standard for film and television education and training.

In conclusion, the aggressive promotion of local content quotas has grown the South African industry and substantiates the worldwide phenomenon that people like local programming but it also shows that this is not enough. There must also be an aggressive, all-encompassing approach that covers the full extent of the value chain from idea development, through training and production, right up to distribution and marketing.

By Howard Thomas, Director, Busvannah Communications, and researcher and trainer in the broadcasting field in South Africa.

3.5 Distribution and competition issues

Some segments of the value chain, notably marketing and distribution, are particularly prone to high levels of concentration. Small creative firms have traditionally had to collaborate with larger distributors in order to reach or expand the market for their products. This concentration to a large extent reflects the magnitude of the costs and the economies of scale associated with this segment. In this context, the global dominance of the music and film industry by the so-called majors is well known. Their smaller competitors are particularly affected by the majors' use of aggressive commercial practices and business models that can impose significant restraints on trade (see box 3.3). The ambiguity about whether or not the business practices of media conglomerates are welfare enhancing makes the application of competition policy very difficult and especially challenging given the global nature of these industries (Acheson and Maule, 2006). In most cases, domestic markets are too small (and in many cases culturally and linguistically fragmented) and undercapitalized for local industries to attain the requisite market size to be competitive. The natural market for this industry is thus transnational. The ability of the American audiovisual industry to amortize production costs on a large, dynamic, domestic market characterized by linguistic and cultural homogeneity is a major contributing factor to its competitiveness and global dominance. American producers are able to sell their audiovisual products around the globe at prices that local producers find difficult to match. Their efficient worldwide network of dominant brands reinforces their hegemony.

Creative products are subject to demand uncertainty because consumer valuation of a product is unknown beforehand. Consumer valuation is extremely difficult to predict because it is not based on subjective criteria; taste is acquired through consumption and is subject to a number of factors, including culture, fashion, self-image and lifestyle (the "nobody knows" property; see box 3.3). Distributors usually assume the role of promoting the final product to the consumer. The investments made in promotion and marketing campaigns can be considerable and well beyond the budgets of small firms at the top of the supply chain. The proliferation of creative products that are differentiated by quality, uniqueness and ranking (the infinite variety and A list/B list properties[14]) and the need to spread the risk across many creative products so that profitable products subsidize others that are not so profitable are additional features that are associated with economies of scale in distribution. Experienced distributors are in a relatively superior position in terms of assessing the commercial prospects of a creative project as reflected in their critical role in financing through advances the creative products for which they obtain distribution rights.[15]

Most of the distribution channels for creative products are governed by large multinationals. Nevertheless, even in this particular segment, there is room for a competitive fringe[16] of small distribution firms that often service niche markets although if their products are particularly successful, they run the risk of attracting the attention of the larger distributors. The relationships between the small distributors and their larger competitors is characterized by a mixture of tension (because of the asymmetric competition and bargaining power that results in the poaching of talent by larger distributors from small distributors) and mutually reinforcing interaction (because the smaller distributors are a rich source of new talent and creative products for the larger players and many of them enter into distribution agreements with larger distributors).

Securing a good distribution deal can make or break a creative entrepreneur. The market power that distributors possess can potentially be exploited to the detriment of creators through low returns. Creators must often cede their property rights to the distributors in exchange for distribution services. The fact that the lion's share of the economic returns from creative products are most often retained by those who control the distribution channels is something that many artists find hard to contend with, particularly when their creation proves successful and spawns other creative works (for example, the hard-cover book that is subsequently released in paperback, then turned into a screenplay for a motion picture). Spin-offs from the motion picture might include the soundtrack score issued as a recording, a television series and characters from the motion picture issued as toys.

[14] See Caves (2000).
[15] Acheson and Maule (2006).
[16] Defined as a large number of firms within an industry, each having negligible market shares. The combined market share of the competitive fringe is often substantially less than that of the dominant firm(s).

Box 3.3 Properties of creative industries

Nobody knows: Demand uncertainty exists because consumer reactions to a product are neither known beforehand nor easily understood afterwards.

Art for art's sake: Workers care about originality, technical professional skill, harmony, etc., of creative goods and are willing to settle for lower wages than those offered by "humdrum" jobs.

Motley crew principle: For relatively complex creative products (e.g., films), the production requires diversely skilled inputs. Each skilled input must be present and perform at some minimum level to produce a valuable outcome.

Infinite variety: Products are horizontally differentiated by quality and by uniqueness: each product is a distinct combination of inputs leading to infinite variety options.

A list/B list: Skills are vertically differentiated. Artists are ranked on their skills, originality and proficiency in creative processes and/or products. Small differences in skills and talent can yield huge differences in (financial) success generating hit-based, winner-takes-all markets

Time flies: When coordinating complex projects with diversely skilled inputs, time is of the essence.

Ars longa: creative products have durability aspects that invoke copyright protection, allowing a creator or performer to collect rents.

Source: Caves (2000).

Where the author has assigned the copyright completely to the publisher for a one time payment, his/her participation in the profits is excluded from its embodiment in the subsequent different forms. Moreover, rights to modify and adapt the creative work pass to the new right owner as does the right to not distribute the work. The bargaining power of artists early in their career is weak whereas that of consistently successful ones is very high (the A list/B list property and winner-takes-all markets). Market intermediaries tend to favour known artists with a track record, and distribution firms, regardless of their nationality, distribute creative products that have commercial appeal; otherwise they could not stay in business.

The advent of digitization and the Internet has brought changes to the distribution landscape, perhaps the most significant being the introduction of new formats for product delivery to consumers. Whether or not these changes will alter the levels of concentration and dilute the power of distributors in favour of creators is not certain. The rise of the digital and Internet economy does not alter the challenges of transforming creative ideas into goods or services and introducing new genres into the world market for creative goods and services. These challenges mean that the complementary services provided by marketers and distributor are still necessary. What is more, new technologies have tended to inspire creative adaptation rather than destruction (Acheson and Maule, 2006). In their research into the impact of e-commerce on the structure of retail and similar industries, Emre et al. (2006) find that greater e-commerce activity in the book and travel industries is associated with losses for the smallest industry firms but no noticeable negative impact and perhaps even a positive impact for the largest firms. Overall, the current trend is towards greater concentration, including by way of vertical integration in distribution and retail as a response to increased competition. Box 3.4 illustrates the most common commercial practices for the marketing and distribution of audiovisual products.

The distributor's willingness to supply new Internet retailers is constrained by their reliance on traditional outlets. The distributors are hence not immune to pressure from their traditional retail partners (Gallaugher, 2002). For instance, it was widely reported in the United States in 2006[17] that Wal-Mart (the largest world retailer) and Target threatened retaliation against studios that offered movies on iTunes (Apple's online store) because they were worried about their own sales. It was said that Wal-Mart sent "cases and cases" of DVDs back to Disney after the company announced that it would offer episodes of its hit shows, "Lost" and "Desperate Housewives", on iTunes. Wal-Mart denied these claims and subsequently opened its own video downloads store in 2007, essentially matching iTunes prices.

[17] See, for example, Fox News (2006), *Taipei Times* (2007) and *The New York Times* (2007).

Box 3.4 Commercial practices and business models particular to the audiovisual and music industries

The *"window"* distribution system, which enables the sequential release of films, videos and television programmes in a staged process (windows) so that the product can be resold to different markets over time at little additional cost. It facilitates price discrimination and the exploitation of secondary markets.

Price discrimination. Unequal competition in secondary markets for audiovisual services has sometimes been likened to dumping because the initial costs of production have largely been recovered in the home market and the price (or licence fee) charged in secondary markets bears little relation to actual production costs. The majors have been accused of greed and some see increased levels of piracy as a direct result of their pricing policies.

Parallel import restrictions on films, videos and television programmes intended to enforce distribution windows, which also underpins the financing structures of most television and film projects and the valuation of distribution rights

Minimum exhibition period: requirements by distributors of minimum exhibition periods for films that may force smaller exhibitors to forego particular titles and thereby diminish their commercial viability.

Blind bidding, whereby a distributor requires an operator to order a film without prior viewing.

Block booking or bundling of films and television programmes by international distributors, whereby less popular products are tied to those that are sought after; serves as a barrier to the screening of competitors' content.

"No share" periods imposed by major distributors that prevent a cinema from showing different titles at different times of the day and/or week that are particularly onerous for small independent exhibitors and, if excessive, make it more difficult for independent distributors to compete.

Joint purchasing arrangements by cinema operators seeking to strengthen their bargaining power with distributors by pooling their demand for feature films.

Refusals to supply and exclusivity clauses in film contracts, whereby a distributor may refuse to supply first-run prints for potential blockbuster films to two competing cinemas unless the additional audience generated is sufficient to outweigh both the loss of rentals through shared receipts and the additional cost of the print. In such cases, independent distributors often lose out because, by the time they hire the film for exhibition, demand may have waned.

Payola, whereby record companies funnel promotional money (or ticket giveaways, concert promotions, vacation trips and other perks) to radio stations through independent promoters in exchange for airplay consideration, which excludes the majority of artists except the most heavily financed, serving to raise the costs of doing business for smaller distributors. This has a secondary effect on artists' income from royalties collected by collection societies on the basis of the number of times the work is aired.

Vertical integration of distributors into exhibition, pay-per-view services and broadcasting.

Duration and terms of contracts between artists and record companies.

Source: Caves (2000).

Distributors are concerned not only about disappointing their traditional partners but also about the loss of revenues where online retailers practise deep discounting.

Online distribution offers viable alternatives to traditional distribution channels. It may favour the development of niche products and present a profitable outlet, especially for B-list creations that are excluded from mainstream distribution channels because the biggest firms usually aim for the hits (i.e., the A List). The example of Amazon.com, which makes its profit mainly through the sale of less popular books that are not carried by its off-line rivals, is often quoted as the typical example of the long-tail theory in practice. The long tail is believed to provide even the very smallest companies – and, by extension, individual creators – the necessary leverage to compete against dominant retail firms and distributors.[18] The recent move by many smaller music artists as well as major players such as Prince, Paul McCartney, Radiohead, Nine Inch Nails and Madonna to eschew the major record labels is leading some industry analysts to conclude that big-name artists have the possibility of being independent. However, most music-industry analysts stress that the bids for independence make sense particularly for

[18]It should be noted that not all online retailers represent new entries (or lower prices) because many of the existing players on the market are responding to the new competition by setting up their own online operations. Nevertheless, there is an increase in the intensity of competition, which can also result in enhanced consumer welfare and opportunities for business.

the most popular acts or those with devout fans who fill concert seats, buy merchandise (or self-produced CDs) and seek out their favoured artist's music.

The technological revolution may yet lead to a revolution in the types of contracts prevalent in creative industries because individual creators are increasingly looking to capitalize on spin-offs from their original creations. On the other hand, it also has its downside. It raises a number of employment-related concerns. For example, in the publishing industry, technological developments have made it possible to do away with some of the "motley crew": whereas typography and page layout were tasks that only experts could carry out, today anyone with a computer can achieve a professional layout and desktop publish. Digitalization has also heightened the risks of piracy and loss of revenues due to the ease of acquiring digital content without having paid for it.

3.5.1 | Changing consumption patterns

Naturally, the creative economy includes consumers, whose demands ultimately determine what is produced and how it is distributed. Changing demographics[19] and new consumption technologies are combining to cause significant shifts in patterns of cultural consumption around the world in developed and developing countries alike. As populations age, the elderly acquire more time and more accumulated income to spend on cultural consumption of various sorts. At the other end of the demographic scale, young people are significant players in the markets for creative goods and services. They tend to be the quickest group to take up new technologies for accessing audiovisual products, and their demands, channelled through innovative means of cultural consumption and participation, are influencing production patterns within the creative industries in a number of countries.

Consumers also influence the creative economy in other ways, for example indirectly through the fact that regulatory action may be taken on their behalf by governments. An illustration is provided by the film industries of countries where local content quotas are enforced in order to protect indigenous cultural expression. The rationale of such regulations is essentially qualitative in nature, relating to matters of cultural identity. Their economic effect is to channel resources into the local creative industries and to reduce expenditures on imported creative products.

Tourists are a particular group of consumers of interest to the creative economy. Tourism provides a significant source of demand for cultural output in many countries. Such demand comes in two forms: mass tourism characterized as high-volume and low-yield, where demand for creative products or cultural experiences tends to be uninformed and undiscriminating, and cultural tourism, which is low-volume, sometimes high-yield and generally better educated and more sensitive to local cultural values. International tourist demand for visitation to heritage sites can be especially important in earning foreign exchange. In such cases, revenue from entrance fees may be a primary source of funds for maintenance and restoration work, while the associated impact of tourist expenditures on the local economy can be substantial, measured in terms of incomes and employment.

3.5.2 | Creative industries and regulation

The incidence of creative industries in countries is influenced by national culture, taxation, education, industrial policies and level of ambition (as evidenced by the success of the East Asian nations). These factors have contributed to differing intra- and inter-country levels of maturity and market organization across various types of creative industries and across various segments of the national supply chains of creative industries. These factors have also meant that creative industries encompass a wide spectrum of commercial, subsidized and non-profit ventures. The issue of subsidies is potentially problematic as more domestic creative industries become commercialized and are traded internationally. The dispute over the venture of the British Broadcasting Corporation (BBC) is a case in point. Commercial publishers complained that by going online, the BBC had moved into areas already well served by the private sector. They felt constrained in their ability to compete by virtue of the BBC brand, which is associated with high standards of journalism, quality and range and depth of content coupled with its access to licence fees that commercial providers could match through advertising income or venture capital. They argued that the support for the BBC free content provision on the

[19] See A. C. Pratt (2007), "The state of the cultural economy: The rise of the cultural economy and the challenges to cultural policy making", in *The Urgency of Theory*, A. Ribeiro (ed.) (Manchester, Carcanet Press/Calouste Gulbenkian Foundation), pp. 166-190.

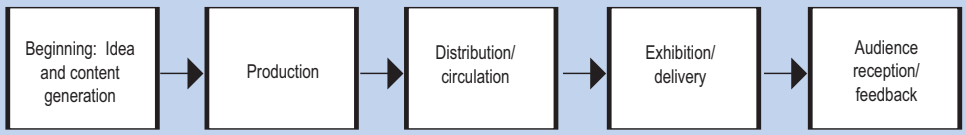
Internet creates unfair competition, particularly for small suppliers in terms of news and the delivery of online education.[20] Similarly, the majority of Southern African Development Community (SADC) States have largely built up delivery infrastructure (galleries and museums) for the crafts and visual arts industry (although rural artists are less well served) and have managed to organize the industry through a combination of public policy initiatives and funding, and private outlets (Trinity Session, 2003). It is uncertain whether this kind of assistance will be possible for countries that are trying to grow their creative industries in the context of pressures on all countries to open up all sectors of their economies to international trade and investment.

Concern about cultural diversity has caused many governments in developed and developing countries to prioritize the development of domestic audiovisual content through national quotas and other types of preferential treatment, including subsidies, tax incentives, tariffs and dubbing requirements applicable to the film and broadcasting industries. The heavy reliance of the audiovisual industry on public and donor funding in Africa, for instance, has resulted in financially fragile industries with limited creative freedom and poorly maintained or often obsolete production equipment where available. On the other hand, since many of the products of creative industries are entertainment goods and are often classified as luxury items, tariff structures can be unfavourable. For example, musical equipment in Zimbabwe is treated as a luxury good and carries a 25 per cent import tax. Similarly, the printing and publishing industry in the Caribbean is faced with inconsistencies in the regulatory and taxation policies affecting the subsector whereby books imported in hard copy do not attract duty whereas inputs for the industry and manuscripts imported in electronic form (CD-ROM) do. Eighty per cent of the paper used in the Moroccan printing and publishing industry is imported and these imports are subject to customs duties of between 10 and 50 per cent (D'Almeida and Alleman, 2004).

3.6 An application of production-chain analysis: The music industry in sub-Saharan Africa

An overview of the music industry in sub-Saharan Africa, organized according to production-chain analysis, is summarized in figure 3.3.

Figure 3.3 Stages of a music production chain in sub-Saharan Africa



Details of the stages of this production chain in the African context are as follows:

Beginning: Idea and content generation

- Rich musical traditions, including Congolese rumba, Zaïroise Moderne, Afropop, gospel.
- New sounds now emerging from rapidly urbanized youth, e.g., Kwaito (South Africa), Bongo Flava (United Republic of Tanzania).
- Political leadership important when music is used to support national identity, e.g., Democratic Republic of the Congo, United Republic of Tanzania.

Production

- Three main centres for music production: East Africa (Kenya, United Republic of Tanzania); West Africa (Ivory Coast, Mali, Nigeria, Senegal); Southern Africa (South Africa, Zimbabwe).

[20] This does raise another issue with respect to the characteristics of the new information economy where potentially most information is in principle available on line. The new issue raised is the added value of commentary and the trust that audiences have in the carrier. The BBC may argue that it adds a particular value in both areas.

- Growth of recording industries reflects different colonial ties (English: weak; French: strong).
- Independent studios and labels set up by entrepreneurs and artists (Ivory Coast, Senegal, South Africa, Zimbabwe).
- Self-producing artists and State broadcasters (Mozambique, South Africa, United Republic of Tanzania, Zambia).
- Increasingly, artists are recording in other African countries (Kenya, South Africa) rather than travelling to Europe.

Distribution/circulation

- Most African music distributed locally, but a few artists have broken into International markets via distributors outside Africa (France, Germany, United Kingdom).
- Major record companies now active only in South Africa.
- Circulation limited by lack of reciprocal licensing and distribution deals between record companies in different territories.
- New trend of independents entering into contracts with major labels to produce music products under licence.

Exhibition/delivery

- Deregulation of broadcasting in Democratic Republic of the Congo, Malawi, United Republic of Tanzania has boosted demand for local music.
- Specialist music retail outlets exist in francophone Africa; other countries have music in supermarkets (e.g., Burkina Faso, Namibia), clothing stores (e.g., Zimbabwe), petrol stations (e.g., Senegal, Zambia).
- Informal retail networks exist where distributors sell to informal vendors (hawkers, small retail outlets); pirated material delivered via informal networks.
- Internet distribution is embryonic.

Audience reception/feedback

- Some music awards (e.g., Kora Awards, South African Music Awards, Zambian Ngoma Awards) to recognize local artists and music production.
- Awards are controversial, with criticism by musicians that record companies influence outcomes.
- Music journalism mostly about artists and performances, little on industry or development issues.

The financial aspects of this production chain in African music exemplify some of the problems and prospects of creative industries in a regional context. The beginning of the production chain in African creative industries represents a rich and vital heritage, but this is not where the money is made. The realization of value from the creative content of Africa is often in the hands of foreign distributors such that income leaves the countries where the content is created and produced. The artist makes money from sound-carrier sales by receiving a royalty on each sale; composers and authors (who can also be artists) receive royalties from the various uses made of their compositions such as mechanical royalties from recordings or performance royalties from live performance or broadcasting. In Africa, however, because the artists expect to receive little or no royalty from record sales partly owing to piracy and partly to the inadequate collection of copyrights, they negotiate a bigger share of an up-front payment that essentially signs away their rights to the music. Combined with this career-limiting decision is the poor understanding of the music business, which results in there being few professional producers or managers.

To overcome these constraints, it is important for all stakeholders in the value chain to work together if the music industry in Africa is going to be successful. As Seligman argues, "The challenge is working with local producers, local labels and local artists in Africa to try to establish a structure in which everyone, from record companies to artists, composers and authors receive due payment without stifling this enormously dynamic and very creative scene

CHAPTER 4 Towards an evidence-based assessment of the creative economy

An assessment of the current status of the creative economy globally is a key requirement for countries of both the developing and developed world. As shown in previous chapters, progress towards such a goal has been slow and disjointed. At the same time, the creative economy is growing and developing rapidly as well as becoming more integrated internally and with other parts of the economy. This chapter argues for a pragmatic means of measuring activity in the creative economy that can be extended to all United Nations Member States for the purpose of universal comparative analysis. A number of debates surround the construction of a model to measure the creative economy, particularly in developing countries. The debates involve several dimensions, usually presented as extremes, whereas in actuality, solutions will certainly involve practical compromises.

The focus of this chapter and the analysis in chapter 5 is on trade issues. It is widely recognized that other measures (such as employment and occupation[1]) add considerable insights. Pragmatically, however, the only way to create an international baseline measure at this point in time is to use trade data, as shown in the following chapter. Nevertheless, the measurement of trade flows is simply a first staging post on a longer journey that will end with a satisfactory analytic map of the creative industries in both the developing and the developed countries. In summary, the ideas and proposals put forward at this stage reflect ongoing empirical research but further investigations are required. Our intention is to move ahead the debate by proposing some possible options that can be applied worldwide in the short term and with a minimum incremental cost. The creative economy is booming and governments from developing countries should have the tools to put in place the necessary public policies to embark on this new terrain.

4.1 Why we need a new information base and why it doesn't already exist

For policy-making to be successful, it must be seen as a legitimate action based on generally accepted relevant processes, and it must be subject to scrutiny so that its success or failure can be evaluated in a transparent manner. In order to achieve both objectives, a sound base of scientific understanding of the processes is needed. Clear information is required to identify appropriate indicators for change. This is what is termed "evidence-based policy-making". Political decisions are still taken about the allocation of resources, but they are legitimated by recourse to reliable and transparent evidence.

As a result of the informal and political nature of policy-making that has historically characterized the cultural sphere, there is a lack of a tradition of monitoring and evaluation as well as an established infrastructure for carrying out these activities. Moreover, the allocation of resources in the cultural sphere has not been based on an analysis of cost-effectiveness or process effectiveness owing to concerns about making political or cultural judgments as to the value of culture. Historically, the focus of cultural policy has been viewed as a realm of either the not-for-profit or of public-sector support driven by welfare-economics principles and advocacy, a realm that was seldom required to be evaluated in economic terms. Or, as mentioned in the previous chapter, culture was seen as a means of social development.

[1] See the UNESCO Institute for Statistics (UIS) framework that focuses on employment measures in a unified framework. Burns Owens Partnership, A.C. Pratt and C. Taylor, A framework for the cultural sector: A report for UIS/UNESCO, Paris, 2006

In recent years, there has been a tendency in most countries to consider cultural projects in monetary terms alongside other objectives. Moreover, as public provision has been largely outsourced, contracted out or privatized, considerable attention has been paid to the potential economic impact of the creative economy. If, for example, culture is to be taken seriously within such a framework, it needs to be presented in terms comparable to those of health or education in its demands for resources and efficiency in their use. The lack of a tradition and an institutional legacy of economic valuation/cost-accounting in the field of culture makes it difficult for practitioners and policy-makers to argue the case for resources in such a climate.

The development of indicators is problematic in the field of culture and creativity for a number of reasons beyond the central issue of the "valuation" of culture. First, as noted earlier, a central issue concerns the legitimation of public or private spending on culture. Resources must be demonstrated to be well managed and effectively used. It is problematic to devise a reliable and legitimate metric to capture such issues. Second, the creative and cultural industries represent new forms of economic, social and cultural activity. One thing that most commentators can agree upon is that the creative industries are innovative; hence they are in a rapid and constant process of change. It is therefore difficult to devise appropriate measures of activity, especially if the activity under investigation is itself novel and changing. The use of new technologies and new business models for the distribution of products (e.g., music) has created huge problems for analysts in understanding what is being sold and where the value lies. In such a context, old evaluation and measurement techniques, developed with other industrial processes in mind, can misapprehend activities and outputs. This problem applies to all industries, but it is particularly acute in the creative industries. Finally, background knowledge of the form and operation of the creative economy is relatively scarce compared to that for more established industries. It is often difficult to identify which variables are important, and it is very common that data on such variables will not have been collected previously.

Creative-economy researchers and policy-makers are thus caught in a difficult position, asserting the importance of this activity but unable to prove or demonstrate it using conventional means. In order to demonstrate the importance of the creative economy and to legitimate expenditure, new data must be collected. However, this task is costly, and census bodies are understandably unwilling to devote resources to new activities that they cannot be certain will be useful. As underlined in the previous chapter, a number of isolated studies have, in various ways, demonstrated that the creative economy exists, that it is growing quickly and that it generates income and jobs. The challenge to be faced is to develop a measure of, and an evidence base for, the creative economy that can be deployed in all countries and situations.

4.2 Towards a reliable benchmark for the creative economy

Our objective in this Report is to develop a measure of the contribution of the creative economy to society and to the overall economy. Clearly, this is a very ambitious aspiration. In this chapter, the focus will be on economic measures. First, it is fully accepted that economic indicators are not appropriate for capturing all creative-economy outputs and that the creative economy has a profound impact both in other parts of the economy and more broadly in society. Examples include the impact on individual, local and national identity, the role of the creative economy in community empowerment, and the role of culture and creativity in social mobilization. Clearly, the measures that are developed in this analysis will be partial as well as a significant underestimation of the true impact in other areas. Hence, it is our intention to stress the importance of an economic evaluation but one that is not exhaustive. The real value in all terms will be much greater.

Our aim is to create the first international means of measurement of the creative economy, one that can be further elaborated as more data are generated and that will also act as a framework for, and a stimulus to, new data collection. As noted previously, the field is confusing because of the multiple measures and definitions already available and the fact that most are nationally or culturally specific. Therefore, this is one of the challenges that must be overcome in order to develop a less culturally biased measure of the creative economy. The predominant measures that have been used to date are those that measure employment, investment or time spent on cultural activities. Our focus is to highlight the role of trade. The aim is to develop a schema that will facilitate comparison across countries and that will

allow comparison of the contribution of the creative economy to that of other sectors.

This proposal builds on work already carried out by the UNESCO Institute for Statistics (UIS) in developing an international framework for cultural statistics. The UIS approach has two characteristics. First, it explores the breadth and the depth of the cultural sector. Breadth refers to which activities are included while depth deals with stages of a production chain (see fig. 4.1 and chapter 3). The second characteristic of the UIS model is the notion of a nested matrix of data. A core set of activities is defined as necessary for international agreement although there are also a number of alternative data sets (from a predefined list) that can be developed by individual countries based on need and as resources become available. In contrast to the UIS approach, the model being proposed in this Report seeks to develop a core, minimal set of data as well as expanded but overlapping, specific data sets tailored to the needs of different countries. This model would run in parallel to that of UIS.

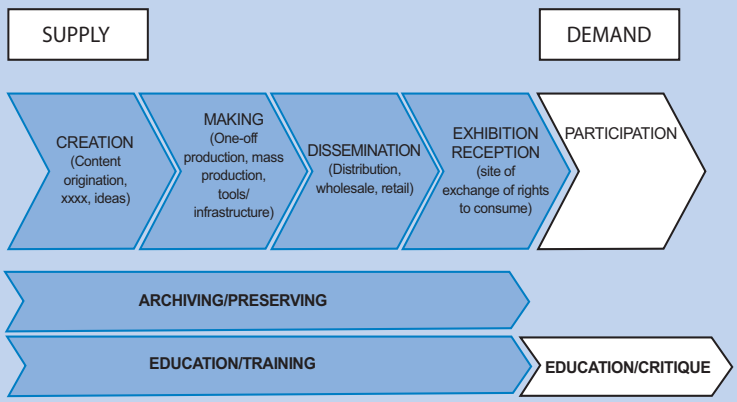
4.3 The challenge of building an operational model of the creative economy

The development of a benchmark measure for the creative economy is particularly problematic owing to a range of definitional problems – from the conceptual to the practical. At the conceptual level, there is the issue of the boundaries between arts/culture and industry. Traditionally, such a division was based on commercialization, and commonly, provision by the private sector was associated with the commercial and public provision with the non-commercial. However, these boundaries are being rapidly eroded; some commentators prefer to view them as a continuum rather than as a dualism. Certainly, arts and crafts sits at a mid-point on such a continuum and in many ways illustrates the problem of creative industries in the developing world. Arts-and-crafts goods may be mass-produced as part of a tourist strategy; however, their value lies in their local production or local identification for visitors.

Mass production of arts-and-crafts goods for tourism may seem like a contradiction in terms, but it is a reality for many communities and offers a way to sustain local skills and to earn a sustainable income. Arts-and-crafts goods lie at a nexus of tourism, trade and development. Moreover, they are often produced or distributed via the informal economy. If one uses traditional measures of economic activity (based on commercial outputs), arts-and-crafts activities may be underreported or not reported at all. Such reporting problems undermine efforts to develop policy with regard to these activities in order to either sustain them, protect them or commercialize them.

Building an effective operational model of the creative economy must take into account the fact that all existing models have in-built assumptions. These assumptions are a combination of abstract concepts, objectives and outcomes. It is in this sense that the range of existing models is embedded in one way or another within particular governance regimes. Though these models may be appropriate for their specific usage, some problems need to be addressed if we seek to universalize them. At least three salient assumptions are built into all the models discussed in previous chapters: the assumption of public or private funding and legitimation of activities; the balance of formal and informal activities; and the relationship of the for-profit and the not-for-profit activities. For example, it is only recently that European countries have begun to consider the realm of the for-profit

Figure 4.1 The creative chain



Source: Burns Owens Partnership, Pratt, A.C., Taylor, C., 2006. A framework for the cultural sector: A report for UIS/UNESCO, Paris.

creative economy and its relationship to, and potential governance relationship with, the not-for-profit and the State-supported sector.

Models can be modified to take different assumptions into account. Here we are guided by a core set of principles regarding what we might understand by the creative economy (see chapter 3). The present chapter focuses on the refinement of criteria that may be taken into account when we seek to measure the creative economy. The point is that developed countries have pioneered analysis of the creative industries and have led the rise in their empirical importance; however, other modes of production and organization are emerging. Consequently, we should be wary of an implicit developmentalism, or modernization thesis, that implies an eventual convergence of experience in developing countries with that of the developed world. It should be noted that empirically, many of the most economically important firms are located in developed countries and that regulation has been developed based on this pattern. We need to be aware of the different trajectories that developing countries may take in shaping their creative economies. One clear example is the role and importance of arts-and-crafts goods that are seldom classified or measured as part of the creative economy in the North; however, they are commonly the core of an emergent creative economy in regions of the South. Moreover, these activities may be carried out primarily in the informal economy and/or be reliant on a vibrant not-for-profit sector. This is not only a North-South issue; many differences also exist between East and West both internationally and even within regions.

Again, it should be noted that even the best-resourced Northern economies have struggled to develop and maintain information frameworks that capture creative-industry activity. This is compounded by a historical factor, namely, that most industrial classifications and taxonomies were developed at times when the creative economy was insignificant. Thus, in many cases, the creative economy does not exist in statistical terms. Additionally, those countries of the North that have set about the collection of such information have been surprised at the rate of change that they have seen, notably in the growth of the sector. Moreover, this rate of change is unlikely to abate; in fact, quite the opposite: change in output and nature of output and production is happening apace, a good example being the digitization of production (see chapter 7).

In summary, there is a limited set of measures of creative-economy outputs. These measures were not originally developed for the purpose of interrogating the creative industries; thus they are suboptimal. As will be further elaborated in the followings sections, it is possible to fine-tune these measures as a pragmatic solution to the challenge at hand. However, there is no substitute for root and branch restructuring if this task is to be done properly.

4.4 Measures: Their limitations and potential

There are four potential means of measuring creative-industry activity: employment, time use, trade and value added, and copyright and IPR. However, these means are unevenly and inadequately applied to measures of the creative industries in either the developed or developing world. The development of a comprehensive data set would be extremely costly and require organizational resources that are unrealistic. Hence, our approach is twofold: first, to try to identify at least one pragmatic measure that can be used for the sector; and second, to help to stimulate further data collection and monitoring by public agencies worldwide. In part, this latter task will require the use of new survey instruments.

In this regard, the role of the United Nations organizations is essential, in particular UNCTAD and UNESCO, which are already working in close collaboration, with a view to ensuring that official data are collected and analysed for all countries. It is important to ensure equivalence and coherence between various national efforts in this endeavour. In part, some of this new data can be collected by marginal extension of existing official census and survey instruments, and it is important that a clear, overarching aspiration be shared between different organizations locally.

4.4.1 | Employment

A recent method associated with the growth of the creative economy has focused on ways of measuring employment generated. Such an approach is hampered by a lack of agreement of definitions of the sector. It is also hindered by

the rate of development: either the industries are new, or just emerging, or they are unevenly concentrated in parts of the world and hence are not an issue for some countries at the moment. In some countries, there is a separate labour market survey while in others, this information is collected as part of a general census. However, this broad category of "employment" is accepted and used in other areas of economic life; thus benchmarking is possible.

Occupation

Perhaps the most popular measures of creative activity have been derived from occupational analyses. Using classifications of occupation, people are categorized as creative workers. One of the problems with this sort of measurement is that people may have more than one job, commonly the creative occupation may pay less, and the creative occupation is often undercounted. Second, occupational measures tend to under-represent the jobs relating to the creative sector. Creative work involves so-called creative occupations as well as non-creative ones, so machine operators might be seen as creative workers if they are working a printing press but not a sheet metal press.

Industry/sector

Employment by industry has been used as an alternative to occupation in order to capture this interlinking of activities that comprise creative output. Again, put aside the conceptual definitions of creative activity; they commonly divide over which are directly cultural output (a performer/performance) and cultural facilitator (theatre ticket sales), or creator (script writer). Another problem with employment data concerns the length of time worked – whether the job is full time (according to national norms) or fractional. This is a particular problem as contract or project employment is common in the creative economy. Finally, there is the problem of contract and self-employment. This can shade into informal work, or second jobs, or simply be missed in census reporting as many cultural workers are in micro-enterprises or self-employed with a small turnover. Commonly, the turnover for such entities is below that on which data are collected. While it may legitimately be said that individually these are insignificant components of the economy, they are a significant part of the creative economy and, as this sector grows, a more significant part of the whole economy. Given the rate of growth, it is important to monitor these changes.

Co-location/cluster

The topic of co-location has become a popular one in discussions of local and regional economic development and regional competition. Measures of employment can give some sense of the degree of concentration of cultural employment; this is clearly an important distributional question. However, an important question with respect to all forms of clustering, especially that of the creative economy, is the degree of interaction between the various firms and activities in the cluster. In traditional analyses of industrial agglomeration, a measure of inter-firm trade is sought. However, such data are seldom available; hence physical co-location is used as a proxy. In addition, in the case of the creative economy, a cluster may be a function of labour-market pooling and project work as well as a means by which to circulate vital knowledge between producers and consumers (see chapter 3). There is no reliable measure of these sorts of interrelationships (even in the developed world). However, it is clear that these processes are critical in economic growth and in the more general success of the creative economy. Moreover, research evidence suggests that this type of knowledge transfer and critique as well as interaction with audiences and consumers is disproportionately more important in the creative economy than in other areas of economic life.

4.4.2 | Time use

Perhaps the most established measure of creative activities is that provided by time-use surveys. Pioneered in Australia, these surveys try to capture non-economic activity (as well as economic activity) by measuring the time that people spend on particular activities.[2] This has been a useful way of uncovering informal and not-for profit or simply community activity. However, the drawback is that such surveys are very labour intensive and exist in few locations. A related set of measures is of participation or attendance data. Traditionally, such data have been used to monitor attendance at events organized or managed by the public sector where entry is either free or heavily subsidized. In some cases, they are used as a measure of public service performance. In most cases, these data are not collected since public expenditure is not evaluated in this manner. Moreover, participation is not measured for many informal events. Finally, commercial ventures may be more interested in the takings/box office than in attendance numbers and they may also be commercially sensitive. In recent years as services are increas-

[2] For example, the *2006 Australian Time Use Survey*, Australian Bureau of Statistics.

ingly delivered by digital means, such monitoring has become easier, but it is still at a very early stage. A more sophisticated sort of survey will not only collect such data but also relate them to more general demographic data.

4.4.3 | Trade and value added

Physical trade

The measurement of trade in relation to the creative economy is problematic in practice, as will be addressed in chapter 5. The existing information sources have been developed to capture the transfer of physical goods. The "dematerialization" of trade – most well documented in relation to financial services – has had a particularly strong impact on the creative economy.[3] For historic reasons, parallel tools have been developed to capture both physical and financial trade flows; while far from perfect, they provide a significant insight into transfers. The case of the creative economy is not so clear; much of the value in the creative economy has been as a result of trade in physical products that are of relatively low value as materials but that contain their real value in intellectual property. Conventional trade measures focus on the flow of material goods, either registering their (free-on-board) price or weight. It is impossible to disentangle the IPR value from such data or even to recognize it. Moreover, digitization is increasingly facilitating the transfer and trade in IPRs online, a means not monitored. It is for these reasons that trade in the creative economy is relatively invisible; we are left looking for traces or shadows of IPRs. Moreover, with rapid technological change, the relationships between goods and value shift week by week.

A traditional measure that is used in the evaluation of economic activity is output, or turnover, usually represented as gross value added (GVA). This is an important measure when one examines the performance of regional and local economies and when one seeks to evaluate the performance of particular linkages in a production or value chain. Constructing such an account requires a great deal of data. Moreover, there is some doubt as to whether such an account is reliable for the creative economy.

A significant proportion of the creative economy does not register in trade or economic statistics for two other reasons. First, much of the activity takes place in the informal economy. Arguably, this issue is more acute in the developing world where arts and crafts and visual arts are produced under such conditions. This data problem is one that is well known more generally and there is no simple way to resolve it. Furthermore, in the case of the creative economy, this issue is compounded in that many cultural activities are carried out on a voluntary or recreational basis. However, they become an important resource as they support the formal and traded economy. Either artists migrate between the formal and informal economy, voluntary and employed, or they have (at least) two jobs. While the non-cultural job may be more remunerative, the cultural one may be more important to them. Analyses of artists in Australia have identified this complex pattern, one that has not been replicated in the developing world, but, based on the evidence that is available, one might expect it to be even more pronounced.

4.4.4 | Copyright and IPR

The WIPO secretariat has been developing a new methodology and data sets for measuring the impact of copyright-based creative industries on national economies in terms of employment and contribution to GDP. Surveys and studies have been carried out in a few but growing number of countries and the coverage is being expanded. However, the WIPO methodology does not meet the criterion of universal coverage since it is based on industrial taxonomies (International Standard Industrial Classification, or ISIC) and is thus limited in scope. Moreover, it has the drawback of being expensive, relying on a well-developed and sophisticated collection and analysis infrastructure, Also, in principle, it rests on the acceptance and implementation of the WTO rules on intellectual property. In this latter sense, the WIPO model has been developed as a regulatory and monitoring tool. This objective limits its applicability in developing and emerging economies that as yet have few institutional, financial and human resources for managing and implementing an IPR regime.

It is important to note that the data on trade of creative services and the WIPO data are essentially measuring different things, and both should be read as an indication of a scale of magnitude and trend rather than as definitive figures. However, this and the following chapter make the case that the creative economy is important for both the developed and the developing world and that extra efforts need to be made to develop a universal measurement system. A precondition for this system should be to offer real figures to be used for worldwide comparative analysis. In particular,

[3] See J. N. Bhagwati (1984), "Splintering and disembodiment of services and developing nations", *The World Economy*, pp. 133-143.

implementation of this system should be feasible and affordable to developing countries, including the least developed countries (LDCs). The creation of such a reliable evidence base is a prerequisite for proper policy-making and multilateral decisions.

4.4.5 | Public investment

Much cultural activity is funded by public resources or managed by not-for-profit agencies. Conventional market indicators are not so good at describing this activity. Moreover, there are many different reporting conventions for public and not-for-profit bodies such that data are not systematically classified and collated. The few attempts at simply collating public spending on arts and culture are helpful but potentially misleading. As Schuster notes in his critique,[4] simply knowing how much money is available in any given year does not tell one how effectively the spend is or what the outcome is. A more subtle analysis that is indicative of State institutions and their modes of operation is required to discern such an outcome.

Box 4.1 Reality and numbers

There is a memorable remark, "The map is not reality", made by a Polish mathematician and philosopher named Alfred Korzybski. Although Korzybski was born in Warsaw in 1879 when it was occupied by Russia, I do not believe he was referring his homeland's confused status. Rather, he was making a pithy encapsulation of his belief that we should not confuse reality with our descriptions of reality. He distrusted humanity's tendency, faced with reality, to give it abstract qualities that were often unnecessary, illogical and in many cases simply wrong. He wrote in the great tradition of the Englishman William of Ockham, born over 800 years ago, who said we should not add anything that is not necessary. Both men were saying, keep it simple! So, leaping back to today, if I say that Matthew Carter, who designed the ubiquitous Verdana typeface now found on every computer, is a wonderful designer, I could be right, I could be wrong. The only certainty is that he designed a wonderful typeface.

I first heard about Korzybski when I was working at the International Institute of Communications in the 1980s and we were trying to understand the new communications ecology. We were working on a map of the global flows of television programming and a report to the Government of Norway on electronic information. The Swedish director, Eddi Ploman, used the quotation to warn us against generalizing wrongly from raw data.

His remark popped into my head again this year as I was considering the state of research into the creative economy. On the one hand, we know how we have ideas and how we develop and share them. We have a feel for how creativity works, or doesn't work, in our neighborhood, in our culture. On the other hand, data and maps seek to quantify the numbers, the scale, of what is happening. We need both, of course. We need the ground reality, and we need the numbers. But we must not confuse them.

In recent years, there has been an explosion of interest in collecting data on the creative industries, often called "mapping" after the United Kingdom's first mapping document in 1998. These show the creative industries to be larger and generating more wealth than was previously supposed. The data became powerful tools in persuading governments to promote the creative industries. Fast forward 10 years and mapping the creative industries is now widely accepted as the first step on the agenda of any government that wants to develop its country's creative economy.

These maps provide a quick and easy answer to the question, "What exactly are the creative industries?" They provide the information that politicians, industry and the media rely on. It is therefore important we get it right. Yet I believe that many maps offer shaky guidance for understanding the creative economy and therefore for choosing the right policies. My own business interests cover TV and film. I know the reality of film production and distribution. No map comes close to reality.

Here is one example. A frequently quoted survey says the United Kingdom exports more films than the United States. This, frankly, is nonsense. The survey makes the mistake of categorizing licence income as belonging to the licensee. So if a United States company licenses a film to another country, the revenue counts as local business. Perhaps the same mistake is the cause of the frequent statement that the video games industry is bigger than the film industry. The video industry is, in some countries, bigger than the cinema industry but the cinema industry makes up only one third of the film industry. This kind of data is not only wrong in financial terms but also misrepresents the industries' structure and operations. As a result, any policy-maker who used this data would be likely to have an incorrect idea of their strengths and weaknesses and propose policies that had little relation to reality.

The art market is also liable to misunderstanding. Art is often called a copyright industry. Strictly speaking, this is true. But the bulk of its revenues comes from the sales of manufactured objects, with copyright licences contributing only a few percentage points, most of which are earned by the estates of dead artists who put little back into the market. By and large, the art market distrusts copying, which is why even original prints rank behind one-off works and why reproductions are not considered to be art at all.

Why are we in this position? There are several factors. The first is that a lot of data is collected by organizations that have little knowledge, or even contact, with creative workers and businesses.

[4] J. Mark Davidson Schuster, *Supporting the Arts: An International Comparative Study*, National Endowment for the Arts, March 1985. Available through ERIC Document Reproduction Services (www.edrs.com), ERIC document #ED257740; J. Mark Davidson Schuster, "Making compromises to make comparisons in cross national arts policy research", *Journal of Cultural Economics*, Vol. 11, No. 2, December 1987; Arts Council of England, Policy Research and Planning Department, *International Data on Public Spending on the Arts in Eleven Countries*, Research Report No. 13, March 1998.

Box 4.1 continued **Reality and numbers**

My own criteria for good data are twofold. Data that is collected under government supervision, where failure to supply accurate data is an offence, are usually reliable. Company reports and some employment data are good examples (but the latter can be misleading if many people are self-employed or part-time). But this is a small proportion of the total and, anyway, often fails the second test.

The second test is, Who is paying, and Why? The acid test of good data is data that are collected by an organization that has the right to check it and to challenge the provider and that are then sold (not given) back to the provider. This kind of data is common in America, Japan, most of Western Europe and most other OECD countries and virtually unavailable anywhere else. By this criterion, I trust data on box office admissions in these countries. I trust commercial companies that collect, organize, analyse and sell back industry data to the industry. Not much else can be trusted.

We know that all data give their own view of reality. Film companies collect information to make and sell films profitably. Governments collect information to levy taxes and to correct market failures through subsidies and tax breaks. Academics collect data to support their research. Every map has its own point of view.

In the film business, data on production finance and net income are virtually unobtainable by anyone outside the companies involved. We tell each other what we know. Nobody even attempts an official survey. There is one exception, which is that national subsidy schemes may oblige recipients to provide data, but this distorts the picture in favour of the subsidized sector. The commercial deals that represent the bulk of licensing revenues go unrecorded. The ideas, projects, scripts, screen tests, contracts and personal relationships that constitute the main assets and added values of film development are not caught by data mapping. The same is true for most creative work.

The reliance on industry data itself is coming into question. There is increasing recognition that many creative workers do not work in creative industries. In Australia, the United Kingdom, the United states, the proportion of creative workers outside the creative industries is over 50 per cent. There is anyway increasing doubt whether "industry" is the right way to describe what is happening. The term captures what happens when big companies make lots of identical copies (music, film, High Street fashion, etc). But it does not capture people making one-off expressions of an individual aesthetic (art, architecture, craft, etc.).

There are other factors. Trade data are especially weak. Ideas flow easily across borders, especially with the Internet and inexpensive travel. Creative workers are nomads. Customs data do not begin to account for everything that is happening and may be so partial that they distort reality. Finally, most data, whether compiled by government or business, lag behind reality. Too often, the categories are out-of-date. This is especially true for business models that depend upon digital technology. Too many policy-makers try to plan for the future by doing what Marshall McLuhan described as "driving ahead by looking in the rear-view mirror". What then, is the answer? We will always need maps, because we need to navigate. How do we get a better map?

A way forward

My research at ITR suggests a way forward. We need to rethink the reality of creativity and the creative economy. We need new coordinates and a new compass.

The new coordinates must take account of the environment in which people have ideas in their ordinary (or extraordinary) lives. I call this the "creative ecology". An effective ecology provides the habitat where an organism can live and flourish. A creative ecology is one where all people have the freedom to pursue their own ideas and where markets allow them to exchange ideas. Its main characteristics are soft infrastructure, social networks and social markets. We are developing parameters to measure this ecology.

Then, we need to relate this creative ecology to global economic developments since the 1950s, and especially since the Internet really took off in the mid-1990s. The rise of the creative economy is part of the restructuring and reshaping of the global economy. There is a tendency for work on the creative economy to be isolated from general economic analysis. We need to bring the two maps together.

It follows, I believe, that we need to give proper weight to both commercial and other activities. There is a tendency for policy-makers and researchers to put most emphasis on activities that are not sustainable or not profitable, on the reasonable grounds that profitable businesses can look after themselves within the framework of competition policy. It may also be true that many policy-makers in this area have more experience of the public arts sector than of the commercial world. There is a danger that the creative economy becomes biased towards non-profit work. This would be profoundly limiting.

We need maps not only to tell us the size of a creative industry but how creativity and innovation play a role in the wider economy. In my view, the United States and many European countries are now mass creative economies. By this I mean that any primary, manufacturing or service sector in these countries that is not creative is uncompetitive and unsustainable. The good news for all countries is that this requires a new approach to both culture and business. We need new theories and new practices, new ways of working.

For the past three years, I have been mapping the "creative divide" alongside the pioneering work by the International Telecommunication Union on the "digital divide". The creative divide shows why, say, a person in the South who is as creative as a person from the North is prevented from taking part in the global creative economy. In this, the United Nations surely has a major role to play. It can draw on the best of advice across a wide range of disciplines and agencies. It can set standards and share information. In the same way as UNCTAD strives to enable developing countries to join the international trading system, so we now need to ensure that developing countries can join in the global creative economy. This would be a natural and much welcome initiative.

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4.5 Implementation of a Culture Satellite Account

The Culture Satellite Account (CSA) is a coherent and systematic accounting framework presenting economic information on culture and offering a base for public and private decision-making, policy design and evaluation, and general purposes of the economics of culture. The CSA is a satellite account to the System of National Accounts (SNA), which was created in 1993 by the United Nations in collaboration with a number of institutions such as the International Monetary Fund, the Organisation for Economic Co-operation and Development, the Statistical Office of the European Communities and the World Bank. It is currently adopted by most countries. This link between the CSA and the SNA is justified by the characteristics of the system: (a) it consists of an exhaustive accounting framework, useful for the economic measurement of the vast majority of cultural products and activities; (b) it is efficient and credible, as its concepts have been approved and successfully applied to many countries at lower costs once they refer to one methodological set; and (c) it avoids the use of concepts and definitions presenting incompatibilities across countries or sectors.

The main objectives of the CSA are:

- to select the practices and products of the cultural sectors and create definitions and classifications following the SNA concepts and framework;
- to define the mechanisms of generation and interchange of the cultural products and integrate this analysis into the existing macroeconomic frameworks with no prejudice to their specificities (e.g., not all cultural activities are registered in production processes holding economic value);
- to demarcate the international trade flows affecting cultural products, given their potential impact not only on the economy but also on the preservation of cultural identities;
- to delimit the total cultural expenses by object, nature, beneficiary: goods and services directly benefiting households; consumption of assets such as the original artworks used in production processes of cultural products; direct public expenses in cultural management, etc.;
- to explore the different funding processes of the cultural consumption. The public funding, for instance, can take place through subsidies or transfers to activities developed by the private sector; via the direct production of goods and services by government entities; by simply acquiring and donating cultural and creative assets for the good of the community, etc.;
- to offer pertinent information on the basic social characteristics relating to cultural production and its organization, following a producer-driven categorization by size, type, employment in the cultural field and its characteristics, etc.; and
- to provide information on the uses, consumption and indicators, enabling a categorization of offer and demand of cultural products (non-monetary quantities and classification by content), and relate them to the economic variables of this framework.

The CSA, besides providing monetary information on the generation and use of cultural products and services, can offer non-monetary data, such as the number of works produced or people involved in a performance. It encompasses social dimensions, disaggregating data by social and educational levels. Indeed, the CSA does not offer an additional set of information but a coherent framework for the search for weaknesses and gaps in the existing information systems. Given that information normally comes from all different sources and is presented in various ways, the CSA can reconcile data, relate them to other economic sectors and disaggregate them by geographic area. In short, the analysis of the CSA can also be of benefit to those conducting mapping exercises on the economic measurement of cultural activities since it presents a coherent set of concepts, definitions and categories and reconciles different sources of statistics.

This Report acknowledges the work being carried out by Convenio Andrés Bello,[5] which has been developing tools to assist its Latin American member countries to implement a CSA in their economies. This process started in 2003. Colombia made the first step to develop its Satellite Account and the first results were published in 2007. Brazil and Chile have also undertaken preliminary measurements. MERCOSUR Cultural initiated an exercise for a regional economic measurement for the generation of reliable, consistent and comparable information on issues relating to cultural economics and the creative economy. Convenio Andrés Bello has been working towards the elaboration of a methodological

[5] Convenio Andrés Bello is an international intergovernmental organization comprising Bolivia, Colombia, Chile, Cuba, Ecuador, Mexico, Panama, Paraguay, Peru, Spain and Venezuela and whose main goal is the integration of the educational, scientific and cultural fields in Latin America.

manual. The aim is to offer a methodology with a rigorous technical background that is applicable and serves as an instrument for cultural policies. The first version of the manual became available in early 2008 and will be accessible to all countries in the region as well as to other regions.

Nevertheless, despite of all this valuable work, the main issue is that the worldwide adoption of the CSA may take a number of years since it is a long, expensive process. Many developing countries, particularly the LDCs, will certainly have enormous human and financial resource constraints to embarking on the exercises of first mapping their creative industries and then moving on towards a gradual implementation of a satellite account.

It is precisely because of these constraints that this Report, in particular UNCTAD and ITC, are putting forward a proposal with a focus on trade. The main advantage is that trade statistics are already nationally reported regularly worldwide, requiring only a marginal additional cost to improve their level of disaggregation as well as the quality and coverage of reporting procedures at the national level. At this stage, this seems a more feasible approach even if the two processes – the CSA and a trade-based model – are mutually supportive and can move in parallel in countries able to afford them.

4.6 Data sources and assessment tools: Why the current data are inadequate

There are two interrelated problems with developing a trade-based model for evaluating the creative industries: definitions and data availability. The question of definition is challenging: what is, or are, the creative industries? The topic has generated much debate in recent years and notions of the "cultural industries", "creative industries", "experience economy" and "creative class" have been circulating. Setting aside the multifarious debates, the attempts by UNESCO to develop a common understanding of the concept of "cultural industries" should be noted. This understanding has much in common with some of the core ideas associated with the United Kingdom concept of the "creative industries", notably the way in which it has recently been developed around the notion of a "production chain". Readers can refer to a rich semantic and ideological debate about the usability of the labels "cultural" and/or "creative" and whether it is "industry", "industries" or "sector". In this Report, the terms "creative economy" and "creative industries" are adopted.

The essence of such a definition relates to that of the production chain. It challenges normative views on two counts. First, the notion of "individualism and elite exclusivity" that is commonly related to the romantic tradition of the artist or creator is operationalized by measurement of, or support for, lone artists and not collectives or support services (without which they could not function). Second is the idea that art or culture has an intrinsic and eternal meaning such that it is "pre-interpreted". Counter to this is the need for critique and debate and the interrelated development of artists, audiences and markets.

Thus, contemporary definitions of the "creative economy" have come to express a whole sphere, or field, of production (and consumption) that includes not only artists but also manufacturers and exhibitors. Therefore, the definition is based on a concept of cultural production. In fact, such a concept underpins traditional manufacture. Thus, when it is operationalized as a measure of employment or trade, one includes raw materials manufacture, distribution and construction of finished articles. Traditional creative industries such as print and publishing share such a heritage. In standard industrial classifications or trade data, it is possible to find a great deal of information on the process of writing, production and circulation of books. As with all "new" processes, however, the creative sector suffers, whereas for new manufacturing activities that entail a new material, such as printed circuit boards, it is easy and straightforward to extend classifications on the basis of process or goods.

The service sector in general suffers from poor measurement and reporting because the understanding of the process and the definitions are inadequate. New services have generally been added, and thought of, as new "industries". However, economists have generally regarded services as dependent on manufacturing and thus not critical to the economy, so less effort has been expended on their measurement or conceptualization. Accordingly, the industrial classi-

fications provide less detail than is needed. This generates some problems. In many advanced economies, the service sector is larger and is growing at a greater rate than the manufacturing sector. However, classifications include a multitude of categories that are increasingly empty of data and a small number of categories (the service sector) that are only crudely described. This is a general problem. Arguably, the very notion of services separate from manufacture is an artefact of industrial organization in recent years rather than a substantial economic fact. The two are clearly interrelated and to a much greater extent than the classifications represent them as being (they are usually represented as discrete).

All of the issues facing the service sector can be repeated in the case of the creative industries. Thus, by definition, the numbers on the creative economy as measured by conventional means are small. When more detailed or more complex classifications have been used, researchers and politicians have been astonished to discover that the creative economy is not only a big player in economies but it is one with robust growth; moreover, it is bigger that many more "traditional' industries. Even so, it has been a slow and controversial journey to even get this far in developed countries. Such a conceptual and scientific shift has yet to occur evenly across the globe.

Such recognition has occurred and arguably has been obscured by the rise of instrumental usages of culture. As noted in chapter 3, culture can be a way of leveraging other development through encouragement to participate and inclusion. In fact, as countries have become more used to the instrumental uses of culture, funding for idealist or aspirational forms has fallen off. This has created a tension between publicly funded and privately funded culture as a result of concerns that monetary values are overriding cultural values. The approach taken here is a non-reductive one: it recognizes that both values are important. However, the key point is to examine what resources are required to develop and expand creative production (in its widest sense) in a particular situation. Thus, the notion of the "creative production chain" very broadly cuts across such distorting dualisms as market/State, production/consumption, formal/informal and services/manufacture.

4.7 The case for a trade model for the creative industries using a product classification methodology

Thus far, the discussion of the creative industries and its definitions has focused on measures such as employment and value added or size and structure. What has not been systematically addressed is the question of trade flows. Trade is a matter that presents a new level of difficulty, but it does make a useful starting point. In a sector that is international, such a dimension is important. Moreover, in terms of assessing the impact on development (positive or negative), it is important to know the balance of trade in creative-industry products. Finally, the development of new intellectual property regimes needs to be assessed against their potential impact on trade.

An approach taken by some governments has been to use data specially collected on the trade in "invisibles", that is, pure services where remuneration is for a service rendered.[6] The problem is that these data are very poorly documented and disaggregated by nation States in national accounts. (The technical aspects of the construction of taxonomies and the collection of trade data with particular reference to culture and the creative industries are discussed later in this chapter.) Furthermore, as business involving these activities may or may not rely upon a dual flow of earnings derived from physical product and intellectual property, remuneration for services rendered or commodity leased is very difficult to capture. Finally, although useful in principle, the level of disaggregation of statistics such as those of the Extended Balance of Payments Services (EBOPS) classification is insufficient to produce the definition and precision required

Thus, while there is little alternative to using a product classification, doing so has its limitations. For example, it is going to underreport the effort of the self-employed electronic artist although it may capture the labour of self-employed artisans better. Essentially, the central product classification (CPC) does not focus on the shapers or designers of composite products (plays, music, writing, etc.).

The approach taken starts by defining the creative industries on the basis of final products (artists' paintings,

[6] See International Financial Services, *World Invisible Trade 2007* (London: International Financial Services).

hand-blown glass). Moreover, marginal or composite categories are excluded to avoid overcounting. This might be particularly relevant in the computing sector. For example, one cannot include personal computer (PC) output in computer games since doing so would result in an overestimate of the dedicated-games usage; however, it will result in a significant undercounting of the impact of the computer games trade.

One must add a caveat: in contradistinction to the normative approach of industrial or product classification, the creative economy may have some overlapping (and hence, in whole economy terms, double counting) elements with definitions that have different bases. This should not invalidate the adoption of a definition on the basis of the "final use" of goods or services; one must simply be careful with the use of elements of product classification to make sure that it is appropriate. A similar protocol is adopted in the case of satellite accounts.

Finally, it should be added that what many regard as the core of creative activity – the creation of intellectual property (rights) – is not directly measured for the simple reason that IPRs are increasingly disembedded from material products. In the past, IPRs were rolled up in the material products, but increasingly, these elements can be separated and, in fact, duplicated. A design can be used on a mug or a tee-shirt or a book, for example. Moreover, the system of collection of IPRs, royalties, is dependent upon a range of local particularities concerning collecting societies as well as national signing up to conventions. Moreover, this system also depends on where an artist has registered his/her rights and whether the artist's income flows from that place and is identified as such. This may seem a very individual and unique circumstance, but one of the characteristics of the creative economy is the extreme wealth that may be held in a few hands.[7]

It is important to recognize that there is a considerable gap in statistical availability in relation to the creative economy. The objective of this Report is to address this problem and begin the steps to solve it. Before describing the steps taken to collate the data presented in chapter 5, it is useful to discuss why there is such a gap.

The early development of industrial statistics and censuses of economic activity were undertaken in the early twentieth century. Not surprisingly, the classifications adopted by statisticians at that time reflected the dominant industrial structure in Northern Europe and North America and industrial production practices. This period preceded the time when extensive, mechanized mass production (Fordism) became widespread, and the taxonomies that were developed reflected the emphasis on primary resources and manufacture; little attention was paid to services. Effective statistical collection requires stability in taxonomies and categories used for collection and analysis. In addition, international correspondence tables have been developed for such classifications. Accordingly, change in classifications takes place very slowly and is resisted.

The nature and structure of most economies has changed over the century, however, and now there are classifications that detail areas of economic activity that play a minor part in economic life and those that almost ignore areas critical to economic growth. A general example is the service sector and, more specifically, the creative economy. Second, economic change has occurred quickly, particularly with respect to areas based on technological change. Again, the creative economy is in the vanguard. It is for these reasons that the creative economy is invisible when one looks at national statistical tables. For instance, based on industry output and sales data, it seems that the computer games industry is nowadays as important as the film industry although if one looks for information in national statistics, it will not appear. Changes are being made to taxonomies, however, and industrial classifications are being revised as quickly as possible. Nevertheless, owing to their historically low profile, they are a low priority.

This is not to suggest that no information is available. Clearly, older creative industries such as cinematography are better represented; however, the coverage is still partial. It is possible to collect and then classify survey information on creative-economy participants. However, much creative-economy activity is shifting to the virtual field of online transactions. This shift presents a substantial problem for trade data as only physical goods enter the audit so completely new methods of reporting and surveying will be required to capture this activity. Again, it is a problem shared with many service industries; however, perhaps it is more critical for the creative economy.

In recent years, many agencies and governments have sought to collect data on the creative economy. Unfortunately, these approaches have been predominantly opportunistic in the sense that such measures reflect the

[7] For further discussion of these issues, see Burns Owens Partnership, A.C. Pratt and C. Taylor, "A framework for the cultural sector: A report for UIS/UNESCO", (London: Burns Owens Partnership, 2006); and *The New Cultural Map: A Research Agenda for the 21st Century*, S. Roodhouse (ed.) (Bretton Hall: S. Leeds University, 2000).

structure of national data bases rather than a systematic basis for comparison. However, they have played a significant role in promoting the case for, and the significance of, the creative economy. What is needed now is a more systematic approach.

As will be further elaborated below, it is possible to use existing taxonomies of industry, occupation or trade to partially describe the creative economy. To be sure, this will by definition result in an underestimate; however, a start must be made as it will itself create the basis for a robust collection of data on the creative economy. In particular, it will highlight the areas that we know most about and, critically, those areas about which we know the least.

Some independent data are available on the creative economy, but much of the data does not fit the current purpose. The reasons are related to the previous formulation of cultural and creative economy policy, which was framed by public welfare economics and operated on a subsidy, or grant-in-aid, model. Under such systems, there is less of a case for economic evaluation; usually the emphasis is on the fulfilment of service criteria rather than economic output. Thus, there is neither a culture nor a tradition of the collection or use of such data on the creative economy.

Finally, there is considerable confusion over the terminology, concept and definition of the "creative economy". As mentioned earlier, a whole range of terms has been used in recent years. In part, this is evidence of a political struggle that the cultural field has been experiencing. The changing nature of cultural production is also an indication of the growing desire of States to govern their economies in different ways. Undoubtedly, the shift to more neoliberal forms of governance has placed economic evaluation of all activities and value for money at centre stage. Moreover, despite the terminology, there is considerable convergence of concepts and definitions. The recent work by UNESCO (UIS) to develop a statistical framework in this field is evidence of this, and the current work by UNCTAD extends this work.

What then are the objectives of such an exercise? First, there is a need to organize data collection and collation along common lines with agreed core concepts. Even if this does not necessarily result in one single definition, the UIS suggestion is that a flexible definition or framework be adopted. This means that there is a core set of activities alongside an optional set defined but not required by all nations. In this way, data collection can be efficient, related to need and comparable.

Second, with the definition of a core framework, it is possible to identify not only existing information on a comparable basis but also common gaps. These gaps are useful for developing the case for, and agreement about, the collection of new information.

Third, with such a framework, we can immediately move towards a situation where we can have comparable data that can be benchmarked. At this stage, a foundation for potential data analysis, policy formulation and future evaluation will be in place. The following part of this chapter describes the basis for a method that could be further elaborated and used in the future for the classification of existing trade data.

4.8 Methodological basis for a unified measure of international trade of creative goods

Chapter 5 presents in detail the information that can be collated on the exchange of creative goods. For obvious reasons, this information is dominated by monetary trade and does not include the informal and not-for-profit activities. It is important to caution the end-users of this data that they are not intended to provide a final figure on the value of global creative goods. Rather, the data are presented as one incremental step towards a better system for reporting, collecting and analysing statistics for trade of creative goods and services. The aim is to give some indication of the order of magnitude of the trade in creative goods and services as well as trends.

Our approach was to use caution and err on the side of under-definition and exclusion rather than over-inclusion of variables. The analysis does not estimate the value of categories that are a mixture of creative and non-creative goods. In fact, where there is uncertainty about the robustness of a category in reporting only creative industries, it is omitted. It is necessary to proceed on the basis of verifiable facts (not estimates) obtained from official available national sources that are based on a sound methodology and figures that are reported to the United Nations by national sources. Therefore, the findings of this Report are at the lower end of valuations; without doubt, the actual figures will be considerably higher.

In principle, the methodology deployed is simple and additive. Trade statistics were broken down in their classification to the smallest unit of analysis (usually referred to using four- or five-digit codes). We then include or exclude such units from a definitive list of creative industries. Clearly, some activities associated with creative production are not classified or described in data sources or they are described but carried out informally and have not actually been captured in any data collected. These data will continue to be invisible and go uncounted in the present schema.

Recognizing that often an important element of creative products is their intellectual property, an attempt is made to find corresponding data. However, the only available data are on overall royalties, and they are collected using a different taxonomy. Ideally, some way of relating these data could be developed as the coverage of the work of WIPO increases. In addition, specific data on copyrights for the creative industries are not available. As a consequence, data on intellectual property data and on physical trade are not simply additive; it is certain that most intellectual property transactions have been missed owing to non-availability of data. Copyright data depend on a locally functioning system for the regulation, collection and distribution of IPRs. However, this system is not complete in the developed world and is partial at best in many areas of the developing world. Hence, the developing world is likely to be under-represented in these data.[8]

Trade information is fundamentally measured through the physical auditing of imports and exports of goods across national borders. These goods are measured either by weight, volume or value. The reporting of the services sector is carried out on a different basis. The most detailed data are collected with respect to financial, trade-related foreign exchange flows self-reported by central banks (but not disaggregated by product). Knowledge of the trade in services in general and creative goods in particular makes us aware of the fact that these figures tell us only a little of what is needed to inform policy-oriented analysis. For example, the weight or number of CDs traded is an inferior indicator for our purposes because it does not inform us of the value of intellectual property associated with what is basically a small disc of plastic. Moreover, it is possible that one recording of a song could be exported (in a passenger's suitcase) and then reproduced in a second country under local licence or distributed as an MP3 file. No financial flows returning to the country of origin are either recorded or visible. Thus, the value of music to international trade is difficult to ascertain. For some products, the transfer of mass, volume and value can act as a proxy for value, but for most, it does not. Hence it is precisely because creative goods are worth more than their functional value (if they have one) that the anomaly is so serious. For example, how can two pieces of furniture – chairs, for instance – be fully accounted for when both contain similar volumes of material and are therefore the same weight of goods, but one is an exclusive "designer" chair (which has considerable aesthetic and retail value) and the other is a mass-produced office chair?

The fundamental taxonomy of trade statistics is based on the type of materials used. This presents those interested in statistics for the creative economy with a problem. Only a small number of materials are "cultural or creative" by definition, that is, used exclusively for a cultural purpose. Diamonds, for example, can be used in jewellery and as a cutting edge for tools. Qualities of materials are unevenly captured in the current Harmonized System (HS) classification. This is largely a historical issue that refers more to the patterns of trade when such taxonomies were first devised, in short, when trade was dominated by manufactured goods and commodities (see HS 5206 for an example of the fine distinctions made between different yarns used in clothing). A classification based on the amount of plastic used in the production of a classical music and a pop music CD, for example, would inform us only of the raw materials incorporated into the products. Even a measure of the wholesale price of the CDs reveals nothing of the copyrights associated with the products.

Clearly, there is no way to express the "real" value of a song or a story. It might be suggested that one could track the royalty payments. However, this again is difficult. First, such tracking relies upon a sophisticated and well-functioning collecting society (the organization that acts as an intermediary between artist and users). Manufacturers and distributors return a particular percentage on sales of products (books and records, for example) to the collecting society, as do broadcasters, and any public users of, say, music. Then royalty owners receive a proportion of returns. In theory, it would be possible to track such "micro-payments" in an online system. However, this is not a current reality.

[8] For example, the International Federation of the Phonographic Industry, an international trade body for music companies (http://www.ifpi.org/), does not collect data in many countries as reliable data are not available.

The aim, therefore, is to develop a pragmatic way forward within the confines of the current data sets that would tell us something about the creative economy summarized in table 4.1. Creative products are clearly a sub-set of all products. So, beyond this matrix lie all other products, where usage is wholly functional. Our proposal is that products could be subject to two criteria. The first criterion would be whether they are primarily the subject of artistic or artisanal production, or of mass production. In reality, products will lie on a continuum; however, for classificatory purposes, it is necessary to create a division. This criterion is indicative of the degree of creative labour content of each item produced. The assumption is that creative labour content is high in goods of higher creative content and significance.

The second criterion would be to represent the typical use of the product, ranging from an artistic decorative artefact or ornament (which we term "aesthetic"), through designer products, to those that are mainly functional (beyond this will lie all other products that are primarily functional). Again, this should be seen as a continuum with, in practice, usages being proportionately more one use or another. For example, a "designer" chair is functional but it is aesthetically valued as well. In such a case, the assumption is that the more aesthetic use is likely to represent more creative value.

In the absence of an ideal or precise taxonomy and data base, we have combined these two criteria so as to offer some useful and pragmatic distinctions. The two extremes might be mass-produced functional usage (cell 4) and artisanal and aesthetic usage (cell 1). In between, we can distinguish the arts-and-crafts designer goods from those that are mass-produced but with a premium on "design" (or creative input).

Attempts should be made to separate out the aesthetically specific goods from those that are more functional, and from those that are only functional (non-creative goods). However, there are a number of "grey areas" that are associated with shifting cultural practice. For instance, interior-design products comprise a very difficult category. However, we might distinguish some of these products from the more or less functional ones by the degree to which their value rests on aesthetics (cell 2).

The same sort of distinction is even more difficult to make with respect to clothing. Traditionally, high fashion/ haute couture is distinguished from prêt-à-porter/ready to wear or even basic production. As indicated in the proposed classification below, there is a possibility of separating out designer one-offs and designer styled goods. However, in practice, in the case of clothing, we can identify only "luxury goods" such as fur, cashmere or silk as markers. In order not to distort the data, at the initial stage, it is better to exclude textiles from the fashion category since they are too difficult to distinguish.

This is clearly not a perfect system of classification: it is offered as an indicator to simply under-representing the creative sector by – in effect – including only items that fall into cell 1.[9] The benefit of the taxonomy presented in table 4.1 is that we can gain a more indicative picture of the extent of the creative economy. Moreover, cells 2 through 4 are indicative of the site of discussion of future taxonomies and data collection if they are to begin to represent the creative products accurately rather than what happens at present where the existing taxonomies effectively render the creative economy invisible.

Table 4.1 Proposed categorization of creative goods

Dominant use of the product	Organization of production of the product	
	Artisanal	Mass
Aesthetic	1	2
Functional	3	4

Cell examples

1 – A fine-art painting
2 – A newspaper or book
3 – A hand-made ceramic vase
4 – Designed furniture (high design content, mass produced)

Cells 1 and 2 are most clearly dedicated to creative activities that are exclusive but can be artisanal or mass production. In some cases, it can be difficult to distinguish whether materials are dedicated to artisanal or mass production. For example, in the case of a fine-art item, it is possible to distinguish the trade in high-value goods from a more low-level (artistically speaking) reproduction market.

Cells 3 and 4 are for creative goods that have not only a creative content but also a functional nature, but the latter dominates. For example, a handmade ceramic vase is a decorative interior article but also has a utility value.

[9] Any product/artefact whether mass/artisanal or aesthetic/functional can be commodified – sold/traded – or be considered as beyond such valuation. Where a particular product lies in this commodification domain is always an empirical fact that needs to be investigated, and it will change through time and place.

4.9 Main considerations

Obviously, there are challenges to understanding the scale and nature of international trade in creative goods, services and rights. This chapter argues that it is possible to develop a rudimentary, first-cut analysis from a combination of modified existing trade data. The resultant taxonomies and the data that populate them are neither ideal nor perfect. Caution is needed to draw taxonomies tightly but to develop them with intelligence such that they map – and make visible – the shifting dimensions of creative production.

The proposal that is being put forward seeks to use raw data from verified public sources that are already collected internationally rather than rely upon samples or estimates from sources whose rigour in their data collection methods is not guaranteed, or to rely upon very costly and time-consuming primary data collection. Of course, the final objective of an accurate audit of the creative economy will be achievable only with the adoption of new taxonomies and with new data collection. Until that time, pragmatic solutions such as the one outlined here will be a way forward.

There is clearly a need for a better understanding as well as a measure of the organizational and institutional forms that have developed in the creative industries. If policy interventions are to be considered, a baseline will be required to identify a starting point for evaluating impact and variables will need to be matched with objectives. The creative industries commonly seek to achieve a number of contradictory outcomes: access and excellence, social inclusion and profitability, etc. It is for this reason that considerable care is needed in the creation of indicators for comparative work, evaluation and policy-making.

The issue is to develop an information base that is robust, meaningful and flexible. While quantitative statistics have their use, there is also a place for qualitative information. Most statistical indicators are focused on outputs; however, in the arts and culture process, indicators are also critical. Invariably, these describe such things as institutional form, density and competence as well as particular ways in which people are employed or carry out tasks.

In summary, this is an outline to develop a possible approach by which otherwise invisible activities of the creative economy may be made visible. This scheme is intended to reconstruct a production-chain measure for physical goods. However, completing the picture for invisible or copyright transactions is still some way off. Considerable efforts are needed to expand and improve this visibility.

Box 4.2 Lessons from Uruguay

"With its ritual of steel
its great chimneys
its secret scholars
its siren song
its neon skies
its Christmas sales
its cult of God the Father
and of epaulets
with its keys
to the kingdom
the North is the one
who orders

but down here, down
hunger at hand
resorts to the bitter fruit
of what others decide
while time passes
and pass the parades
and other things
that the North doesn't forbid.
With its hard hope
the South also exists."

Thus begins the inspiring poem, "The South also exists", by the awarding-winning Uruguayan writer, Mario Benedetti. Uruguay, a country of small dimensions, is home to a flourishing cultural production. From the galleries of the Mercado del Puerto in Montevideo to the tiny José Ignacio city, the works of art exhibiting a myriad of styles and techniques proudly display the stamp "Hecho en Uruguay". The recognition that distribution channels can be a huge bottleneck for the creative economy gave birth to different initiatives in the country, including the Mercados de los Artesanos (Artisans Markets), today a small network of points of sale located in heritage sites of Montevideo such as the Mercado de la Abundancia (Abundance Market). This century-old building hosts a market, restaurants and shops, tempting the eyes as well as the gastronomic and cultural appetites of tourists and locals. Created and managed by the Asociación Uruguaya de los Artesanos (AUDA), this initiative has 300 members, who have access not only to direct points of sale but also to small amounts of credit at preferential interest rates, granted with the warrant of the association.

Equally enlightening is Manos del Uruguay (Hands of Uruguay), a cooperative, not-for-profit business set up in 1968 to foster the distribution of the woven clothing and handicrafts made by artisans in the countryside. Under the guidance of a team of designers, the original core of 12 groups grew to 31 in the first year as a result of the amount of sales. The small cooperative became a company. In 1969, a service centre established programmes of quality control and supply-chain management. Courses were also provided to improve the capacity of artisans, turning Manos into a self-managed business in 1976. The mix of social purpose, financial balance and high-quality products put Manos del Uruguay on the pages of fashion magazines in New York, Paris and Tokyo under brands such as Polo Ralph Lauren, Donna Karan and Victoria's Secret. Today, the company has 100 employees and a network of 17 cooperatives, with a total of 350 artisans all over Uruguay. It also works with 200 independent professionals, who produce designer objects with a range of local materials (wood, ceramics, leather) and traded in the five stores of the chain. Moreover, anthropologists and historians collaborate on the creation of pieces with a strong national identity.

The benefits are twofold. On the one hand, the guarantee of a stable source of revenue enables the artisans in the countryside to live off their cultural talent. On the other, the national traditions and cultural technologies are not only preserved but also valued as a booster of socio-economic inclusion, irrefutable proof that creativity and culture can be an inexhaustible source of sustainable development through the creative economy.

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PART 3

International Trade in Creative Goods and Services

CHAPTER 5 International trade in creative goods and services: Global trends and features

5.1 Setting the scene

Global and regional trade flows of creative goods and services encompass trade transactions with complex interactions among culture, economics and technology. Likewise, trade is framed within the rules and practices of the global trading system. Such a framework includes the universally accepted multilateral rules governing trade among members of the WTO and other legal provisions for free trade agreements, economic unions and economic partnership agreements. Creative-industry trade rules may also be influenced by other legal instruments such as the UNESCO Convention on Cultural Diversity and the like in other international organizations at the regional level as well as by other specific agreements dealing with cultural trade exchanges and intellectual property regimes.

With the emergence of the creative economy and the growing importance of products of creative industries in world trade, issues relating to the interface between international trade policies and national cultural objectives are receiving prominent attention in the economic development agenda of the third millennium. The new round of multilateral trade negotiations aiming at further trade liberalization remained inconclusive throughout 2007 owing to polarized views on how free markets can be a tool for redressing socio-economic imbalances and improving development prospects for better welfare and a more equitable and inclusive society. In this context, this chapter presents a picture and a first-ever analysis of international trade flows of creative goods and services in global markets. The purpose is to examine the main features inherent to each creative industry and to assist policy-makers in assessing the actual and potential economic impact of their creative industries for trade and development gains.

At the outset, this Report is introducing pioneering work by presenting the first universal comparative analysis based on available national trade statistics for creative goods and services. Nevertheless, despite the efforts to compile and share reliable figures, there are visible gaps in the quality and coverage of reported trade statistics for creative industries at the global level. Attention is drawn not only to what the figures show but in particular to what they are not able to capture. Therefore, the Report should be seen as the starting point of a work in progress that aims at improving market transparency in the area of the creative industries with a view to facilitating a better understanding of the dynamics of the creative economy and supporting governments in policy formulation.

This quantitative assessment faced a number of difficulties from both the conceptual and the methodological point of view. As explained in chapter 1, there is no unique, universally agreed set of creative industries. Countries have different definitions of the creative industries and have adopted diverse groupings of these industries. The statistical analysis is based on the UNCTAD definition and grouping of creative industries, and the items included in each group were jointly classified by the UNCTAD and ITC secretariats, taking as the starting point the UNESCO Framework for Cultural Statistics.

This Report shows trade figures for the creative industries, which constitute a larger group than the cultural industries.[1] For instance, first-hand figures for arts and crafts as well as for the group of design products are shown. Despite the challenge of classifying more than five hundred items, initial results are valuable; arts and crafts

[1] The UNESCO report, *International Flows of Selected Cultural Goods and Services, 1994-2003*, is the most comprehensive report on this matter. However, the focus is on cultural industries where data for art and crafts, design and some creative services were not included. Therefore, as the classification of items differs, the figures presented in this report have a different magnitude and are not comparable with the data presented in the UNESCO report owing to different coverage. It is noteworthy that UNCTAD worked in close collaboration with ITC and in liaison with the UNESCO Institute for Statistics in the preparation of data for the *Creative Economy Report 2008*.

and design, for which universal data have never been compiled, are indeed the two groups of creative industries of greatest economic and social importance for developing countries.

Attention is drawn to the shortcomings of the figures presented for the more technology-intensive and services-oriented creative industries, such as music, audiovisuals and new media. These figures are highly underestimated and do not reflect the vibrant reality of the global markets for phonographic, audiovisual and digital products. In this regard, three important points should be taken into consideration:

- Only 57 out of 192 United Nations Member States reported figures for trade in services in 1996 although the situation subsequently improved since this number rose to 90 countries in 2005. In the case of creative goods, signs are more encouraging: in 2005, the number of reporting countries was 131 compared to 54 countries in 1996;
- Current standard statistical classifications remain customs-based and refer only to tangible physical goods. The system is outdated and lacks the level of disaggregation required for an in-depth product-by-product analysis. It also does not reflect the reality of connectivity and the increasing use of e-business and ITC tools for virtual trade and distribution of creative content. Therefore, it is not yet possible to capture the growing volume of digitalized creative content such as music, films and books traded via the Internet and mobile phones; and
- The non-availability of statistics for copyrights and the gaps in data for creative services, combined with the difficulties in collecting figures at the global level on related marketing and distribution services (box-office revenues of cinemas, theatres, concerts, etc.), hide the real impact of this dynamic sector in international trade and the world economy.

Although imperfect, the figures give an indication of market trends and trade flows, showing the key players for each group of creative industries in global markets. Even if the figures do not show the full economic impact of each creative group, the fact that the same basket of products has been used for all countries for a ten-year time series provides the basis for a universal comparative analysis. However, in order to avoid misinterpretations, the analysis should be seen in light of the issues addressed in chapter 4, and the general explanatory note in the annex.

This section shows global trade flows of creative-industry products for the period 1996-2005 although the period 2000-2005 is more representative because it covers a larger number of countries and gradually, reporting procedures have improved in recent years. The country grouping is the one used by UNCTAD, as listed in the annex. The analysis of trade figures covers the domains of creative industries as presented in table 5.1 below.

Trade data for products of industries related to the creative industries (hereafter referred to as "related industries")[2] are shown separately for the purpose of market transparency and the following four main reasons:

(a) the related industries are fully dependent on creative content for their own existence;

(b) the related industries constitute a relevant tool for the analysis of current and future demand for creative goods and services;

(c) technological advances in these related industries of hardware products (television and radio sets, digital equipment (DVDs, MP3s, etc.), musical instruments, etc.) are linked with the making of creative content and vice versa; and

(d) the majority of related industries are technology-intensive and innovation-led, thus influencing the level of R&D and other creative services.

The same rationale applies to figures for royalties. Given the non-existence of specific data for copyrights at the world level, which are more closely linked with the creative industries, figures for royalties are provided only as complementary information. These data are not included in the totals as creative services owing to the impossibility of identifying the royalties pertaining exclusively to the creative industries. Their inclusion would thus give rise to possible misleading interpretations and would inflate the figures for creative industries.

The analysis is based on official statistics reported by national sources to the United Nations Commodity Trade Statistics Database (Comtrade) and further classified

[2] Products of related industries include equipment, such as computers, cameras and other goods needed to produce or consume creative goods and services. This classification, comprising two broad categories ("core" and "related industries"), has been used by UNESCO to report trade of cultural industries. WIPO also includes this category although with a different name ("core and interdependent copyright-based industries") for IPR purposes. The UNCTAD/ITC classification differs since it refers exclusively to creative goods and services. Creative industries for UNCTAD cover the nine subgroups mentioned above but the term "core industries" is not used. Related industries are provided only as indicative data.

Table 5.1 Goods and services of creative industries

5.1.a Heritage and arts: Goods and services

	Domain	Subgroup	Creative goods (available data)	Creative services aggregated	Creative services (data currently unavailable)
CREATIVE INDUSTRIES	Heritage	Traditional cultural expressions	Arts and crafts: carpets, yarn, wickerware, paperware, celebration articles and others.		
		Cultural sites		Other personal, cultural and recreational services.	Cultural & recreational services: library services; archive services; museum services; preservation services of historical sites and buildings; botanical and zoological garden services; amusement park and similar attraction services.
	Arts	Visual arts	Antiques, painting, photography, sculpture; others: collages and similar decorative material		Photography: portrait photography services; advertising and related photography services; action photography services; specialty photography services; restoration, copying and retouching services of photography; other photographic services; photography processing services. Painting & sculpture: services of authors, composers, sculptors and other artists except performing artists.
		Performing arts			Performing arts: performing arts event promotion and organization services; performing arts event production and presentation services; performing arts facility operation services; other performing arts and live entertainment services
		Music	Recorded laser discs and recorded magnetic tapes, and manuscript music.		Music: Sound recording services; reproduction services of recorded media, on a fee or contract basis.

Table 5.1 continued **Goods and services of creative industries**

5.1.b Media: Goods and services

	Domain	Subgroup	Creative goods (available data)	Creative services aggregated	Creative services (data currently unavailable)
CREATIVE INDUSTRIES	Media	Publishing and printed media	Books: novels, dictionaries, encyclopedias, children's drawing and colouring books, etc. Newspapers: newspapers, journals and periodicals. Others: brochures, leaflets, postcards, calendars, advertising materials and other printed matter.		Publishing service: publishing, on a fee or contract basis; printing services, News agency services to newspapers and periodicals.
		Audiovisuals	Cinematographic film: - width in 35mm or more - other widths	Audiovisual and related services	Film: motion picture, video tape and television programme production services; motion picture, television programme distribution services; film and video post-production services; other services related to the production of motion pictures, video tapes and television and radio programmes; motion picture projection services; video tape projection services Radio & television: broadcasting (programming and scheduling) services; audio post-production services; radio programme production services; audiovisual production support services; news agency services to audiovisual media.
		New media	Recorded media for sound/image, and video games.		Business and creative software, digitalized creative content.

Table 5.1 continued **Goods and services of creative industries**

5.1.c Functional creations: Goods and services

	Domain	Subgroup	Creative goods (available data)	Creative services aggregated	Creative services (data currently unavailable)
CREATIVE INDUSTRIES	Functional creations	Design	Interior: furniture, tableware, wallpaper, glassware, porcelain, lighting sets, etc. Fashion: handbags, belts, accessories (ties, shawls, scarves, gloves, hats, hairpins, etc), sunglasses, headgear, leather goods, perfumes, etc. Toys: dolls, wheeled toys, electric trains, puzzles, games, etc. Graphic: original drawings, plans for architecture, etc. Jewellery: articles of jewellery made from gold, silver, pearl, and other precious metals as well as imitation jewellery.		Interior: interior design services; other specific design services.
		Creative services		Advertising, market research and public opinion services; architectural, engineering and other technical services; research and development services; personal, cultural and recreational services;	Advertising services: planning, creating services; other advertising services; trade fair and exhibition organization services. Architectural services: architectural advisory and predesign services; architectural design services; other architectural services.

Source: UNCTAD secretariat (basis for the compilation of trade statistics: See annex).

and processed by UNCTAD. Table 5.1 shows the products (goods and services) used for the compilation of the trade statistics as well as the list of those products for which figures are currently unavailable. There are no estimates or mirror data. Additional tables are presented in the annex, and more detailed country and sectoral statistics are accessible via Internet through the "UNCTAD Global Databank on Creative Economy and Industries".[3]

A key issue in approaching trade features is to examine how creative industries generate value from cross-border trade and what the backward and forward linkages are in the value chain of each creative-industry subgroup so as to properly assess its impact for both the exporting and importing countries. Nowadays it is not yet possible to undertake more refined input and output analysis to evaluate forward and backward spillovers.

The creative industries have been generating increasing revenue from the production, trade and distribution of their goods and services as well as from the collection of copyrights associated with their use. Trade and IPR flows originate from international transactions among two or more countries and intra-firm transactions between transnational corporations. Trade flows of creative products include the revenues of export and import operations for goods and services produced by the creative industries. Against this background, the salient features and the global trade flows of creative goods and services are examined in the following sections.

5.2 Creative industries: A new dynamic sector in world trade

The global market for traded goods and services of the creative industries has enjoyed an unprecedented dynamism in recent years. The value of world exports of creative-industry goods and services reached $424.4.billion in 2005, accounting for 3.4 per cent of world trade as compared with $227.4 billion in 1996 according to UNCTAD. Over the period 1996-2005, the creative industries gained shares in global markets, growing at an annual rate of 8.7 per cent for the period 2000-2005. This upward trend is likely to continue throughout the decade, given the positive prospects for global demand.

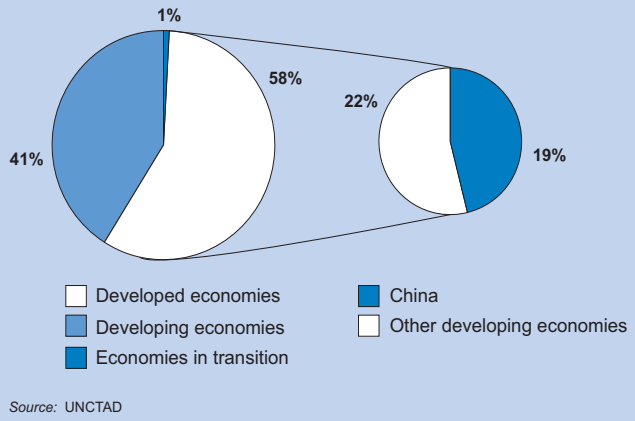
Exports of creative goods accounted for the vast majority of world trade of creative industries, accounting for 3.2 per cent of world trade in merchandise goods. In 2005, they reached $335.5 billion, a level 77 per cent higher than the $189.2 billion in 1996 (see table 5.10) and representing an annual growth rate of 6.0 per cent over the period. Exports of creative services increased by 8.8 per cent annually, rising from $38.2 billion in 1996 to $89 billion in 2005 although this increase is also indicative of the growing number of reporting countries, as explained earlier. In any case, trade in creative services grew faster than trade in creative goods (see explanatory notes in the annex).

For the first time, world trade figures for creative industries are being published, providing evidence that creative industries constitute a new dynamic sector in world trade. The magnitude and the potential of the global market for creative-industry products are vast and have only recently been recognized. The creative economy in general and the creative industries in particular are indeed opening up new opportunities for developing countries to leapfrog into high-growth sectors of the world economy and increase their participation in global trade. The creative industries are already driving trade and development gains in a growing number of countries, particularly in Asia.

While developed countries have dominated both export and import flows, developing countries year after year have increased their share in world markets for creative products, and their exports have risen faster than those from developed countries. Exports of creative goods from developing economies accounted for 29 per cent of world exports of creative goods in 1996 and reached 41 per cent in 2005 (see chart 5.1.a). This significant growth reflects the remarkable increase in production and trade of creative goods in China, which became the world's leading exporting country of creative goods in 2005 with an impressive market share of 19 per cent of total world exports of creative goods. Although the fast growth of creative industries is taking place mainly in Asia, all developing regions have increased their participation in the world trade of creative goods (see charts 5.1.a and 5.1.b and tables 1.1 and 1.3.3 in the annex).

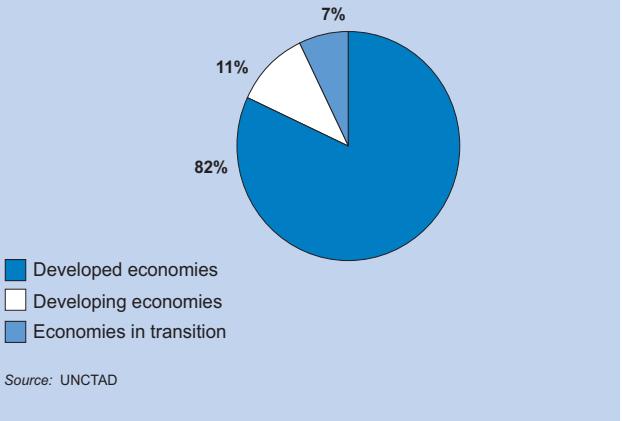
[3] The UNCTAD Creative Economy and Industries Programme jointly with the Central Statistics Branch launched the "UNCTAD Global Databank on Creative Economy & Industries" in April 2008. The statistics can be accessed by the general public at: http://www.unctad.org/statistics, or www.unctadxi.org/creative . For further information, contact: creative.industries@unctad.org.

Chart 5.1.a **Creative industries: Exports of creative goods, by economic group, 2005**



Source: UNCTAD

Chart 5.1.b **Creative industries: Exports of creative services, by economic group, 2005**



Source: UNCTAD

5.3 Global trends in world trade of creative goods and services

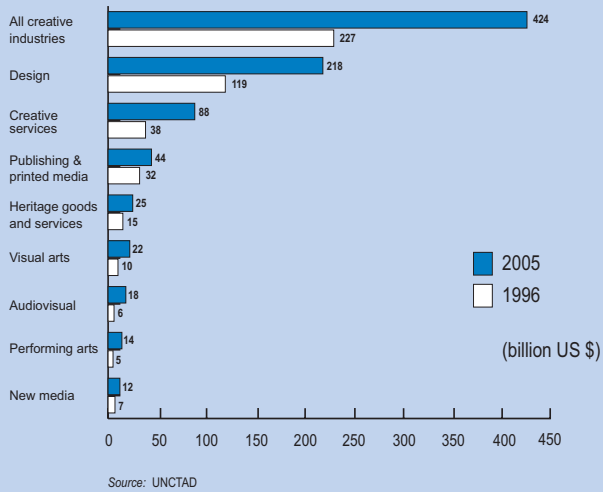
5.3.1 | Global trends in world exports

In 2005, total exports of all creative-industry products reached $424.4 billion (see chart 5.2), with a growth rate of 6.4 per cent over the decade under review. Export earnings from creative industries cover the value of exports of all creative-industry products, comprising tangible goods and intangible services in each subgroup. It should be noted that, owing to the gaps in the availability of data for creative services,[4] figures for exports of creative goods were higher than those for creative services – a distortion of the reality.

The value of exports of creative goods increased markedly during the period 1996-2005, with the total value reaching $335.5 billion in 2005 (table 5.2). The annual growth rate during this 10-year period was 6.1 per cent, and as a result, all regions and economic groups of countries benefited from higher export earnings. Exports of creative goods from developed countries predominated in world markets. At the same time, exports from developing economies increased dramatically (by 143 per cent) from $56 billion in 1996 to $136 billion in 2005 (see chart 5.2 and table 1.2.A in the annex).

As regards creative services, the value of exports experienced exponential growth from $38 billion to $89 billion, growing annually by 8.8 per cent during the period 1996-2005. This means that exports of creative services grew faster than world exports of all creative products. On the basis of available statistics, creative services accounted for only 21 per cent of the total exports of creative industries in 2005. Obviously, this share is underestimated since most countries, both developing and developed, do not report data for all categories of creative services.

Chart 5.2 **Evolution of world exports of creative goods and services, 1996-2005 (in billions of $)**



Source: UNCTAD

The structure of exports of goods from creative industries, by economic group, is presented in table 5.2. The predominance of developed economies in world trade of creative goods is noteworthy (chart 5.4). In 2005, their share

[4] Even key players in the world market such as the United Kingdom and the United States do not report data for important subsectors of creative services such as advertising and architecture.

Chart 5.3.a Creative industries: Exports, by group, 1996

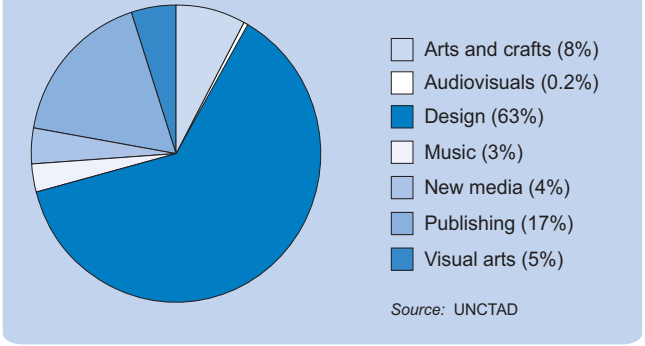


Chart 5.3.b Creative industries: Exports, by group, 2005

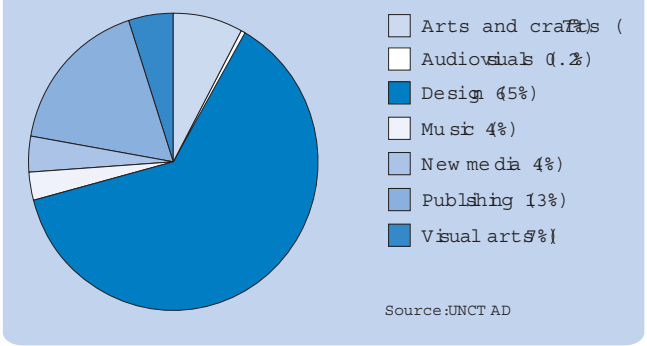
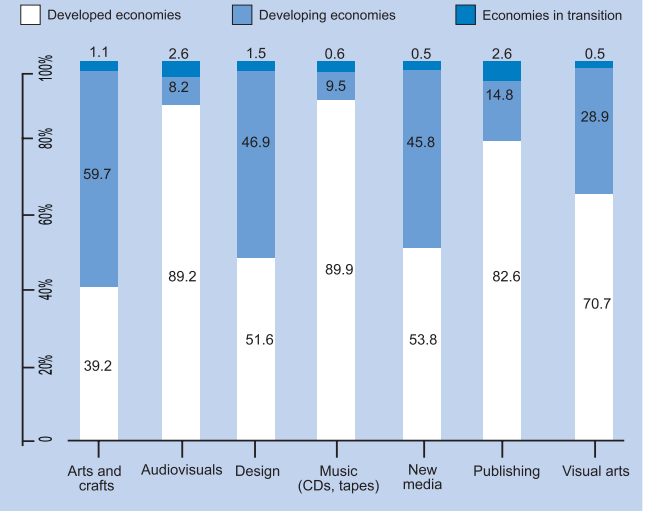


Table 5.2 Creative goods: Exports, by economic group, 2005 (in millions of $)

	World	Developed economies	Developing economies	Economies in transition
All creative goods	**335,494**	**196,109**	**136,231**	**3,154**
Arts and crafts	23,244	9,118	13,881	137
Audiovisuals	664	592	55	2
Design	218,173	112,595	102,413	1,735
Music	14,924	13,424	1,412	63
New media	12,035	6,471	5,508	50
Publishing	44,304	36,593	6,567	1,096
Visual arts	22,149	15,651	6,395	71

Source: UNCTAD.

Chart 5.4 Share of economic groups in world exports of creative goods



in total exports of creative goods was about 90 per cent for music and audiovisuals, around 80 per cent for publishing/printed media, 70 per cent for visual arts, and over 50 per cent for new media and design. This trend is valid and very relevant for market analysis. Chart 5.4 shows the importance of creative industries for both developed and developing economies. Furthermore, these trade data mirror the fact that the high-growth subgroups of creative industries with higher value added such as audiovisuals and new media are exported mainly by advanced economies.

For developing economies, arts and crafts constitutes the most important group of creative products, accounting for 60 per cent of their share in the world market for creative-industry goods (chart 5.4). Design and new media also have great potential; exports from developing economies have been increasing and each of these subgroups responded to approximately 47 per cent of the demand from global markets in 2005. This upward trend in exports of creative goods from developing economies is due mainly to substantial increases in the design subgroup, with exports rising from $42.9 billion in 1996 to $102.4 billion in 2005, reflecting mainly the growth in China. If China is considered apart, the situation of developing countries in world markets is less bright; their total share in world exports of all creative goods becomes 22 per cent instead of 41 per cent for 2005, as shown in chart 5.1.a and in several tables in the annex. The economies in transition play a marginal role in world markets of creative goods and services, accounting for less than 1 per cent of market share over the period under review, according to available figures.

Table 5.3 Creative goods: Exports, by economic group and region, 2000 and 2005

Economic group and region	Value (in millions of $) 2000	2005	Change (%) 2000-2005
Worldwide	**228,695**	**335,494**	**47**
Developed economies	**136,643**	**194,445**	**42**
Europe	99,201	149,825	51
United States	20,703	25,544	23
Japan	4,803	5,547	15
Canada	10,413	11,377	9
Developing economies	**89,827**	**136,231**	**52**
Asia - South, Eastern, Southeastern	79,316	119,839	51
China	28,474	61,360	115
Western Asia	2,747	5,947	116
Latin America and Caribbean	6,769	8,641	28
Africa	973	1,775	82
LDCs	648	211	-67
SIDS	133	153	15
Economies in transition	**2,226**	**4,818**	**116**

Source: UNCTAD.

5.3.2 | Global trends in world imports

The evolution of world imports of creative goods during the period 1996-2005 showed a similar upward trend but with higher values than those of exports,[5] increasing from $190.5 billion to $350.9 billion (table 5.4). The share of developed economies in world imports of creative goods declined from 85 per cent to 81 per cent. In 2005, developing countries imported 17.3 per cent of all creative goods, with a value of about $60.8 billion. In the case of economies in transition, their imports of creative goods represented about 2 per cent of the world total, amounting to $7.5 billion (see table 5.4 and the annex).

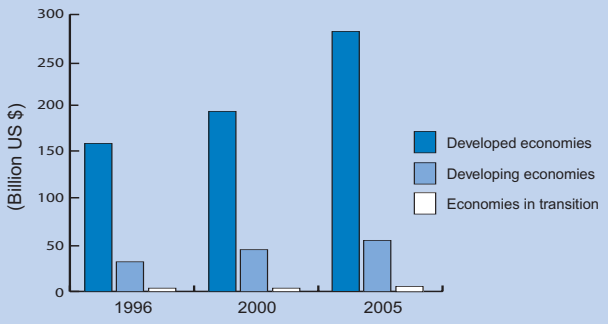
As chart 5.5.a illustrates, developed economies were the largest importers of creative goods during the period 1996-2005. A picture of imports of creative goods is presented in chart 5.5.b. As the chart shows, design, which accounts for 65 per cent of total imports, is the subgroup with the highest volume in world trade, followed by publica-

Table 5.4 Creative goods: Imports, by economic group, 1996 and 2005 (in millions of $)

	Worldwide		Developed economies		Developing economies		Economies in transition	
	1996	2005	1996	2005	1996	2005	1996	2005
All creative industries	**190,492**	**350,884**	**163,257**	**282,558**	**27,074**	**60,759**	**161**	**7,568**
Arts and crafts	15,679	25,091	12,680	20,174	2,984	4,390	15	527
Audiovisuals	333	650	255	526	78	116	0	7
Design	120,603	228,428	101,451	184,052	19,057	39,257	95	5,119
Music	4,851	16,419	4,442	13,737	406	2,413	3	269
New media	6,250	13,402	5,683	10,718	564	2,465	3	220
Publishing	31,242	45,783	28,225	34,740	2,973	9,735	44	1,308
Visual arts	11,534	21,111	10,521	18,610	1,011	2,382	2	118

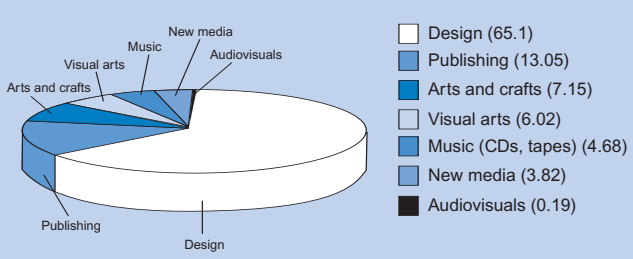
Source: UNCTAD.

Chart 5.5.a Imports of creative goods, by economic group, 1996, 2000 and 2005



Source: UNCTAD

Chart 5.5.b Imports of creative goods, by group, 2005 (%)



Source: UNCTAD

[5] For all customs-based trade statistics, imports are reported on a c.i.f. basis (including costs, insurance and freight) and exports on an f.o.b. basis (free on board). As a result, the former are always higher than the latter.

Table 5.5 Creative goods: Imports, by economic group and region, 2000 and 2005

Economic group and region	Value (in millions of $) 2000	2005	Change (%) 2000-2005
Worldwide	**242,685**	**350,884**	**45**
Developed economies	**194,476**	**282,558**	**45**
Europe	93,375	148,986	60
United States	72,958	95,021	30
Japan	14,350	18,592	30
Canada	8,272	12,094	46
Developing economies	**46,114**	**60,759**	**32**
Eastern and Southeastern Asia	31,162	39,501	27
China	2,242	3,676	64
Western Asia	3,678	5,808	58
Latin America and Caribbean	9,123	10,923	20
Africa	2,085	4,288	106
LDCs	520	1,214	134
SIDS	717	833	16

Source: UNCTAD.

tions and printed media. This structure is the same in all three economic groups of countries, as shown in table 5.4.

More than 50 per cent of total imports of creative goods were accounted for by developed economies, with the world's top importers being Europe (the 27-member European Union (EU-27)), followed by the United States, Japan and Canada. Among developing economies, Asia was the region with the highest level of imports of creative goods, which increased by 43 per cent from $23.4 billion in 1996 to $45.3 billion in 2005. In Latin America and the Caribbean, imports of creative goods tripled from $3.3 billion in 1996 to $10.9 billion in 2005. In Africa, imports of creative goods increased sharply, from $211 million to $4.3 billion, or 95 per cent over the decade.[6] Imports by LDCs also grew remarkably from $111 million to $1.2 billion, an increase of 91 per cent over the period 1996-2005. In summary, with the exception of Asia, which was a net exporter, other developing regions, in particular Africa, the Pacific, the Caribbean and Latin America, have been consuming more and more imported creative products and practically all countries are net importers of creative goods and services.

5.3.3 | Key players in the global market for creative goods

The list of the world's 20 leading exporters of creative goods in 1996 and 2005 is presented in table 5.6. China headed the list while the positions of Italy, the United States, Germany, the United Kingdom, France and Canada were the same in 2005 as they had been in 1996. India, Turkey, Thailand and Mexico are the other developing economies that ranked among the top 20 exporters of creative goods in 2005. India showed the greatest growth in exports of creative goods during the period 2000-2005. More detailed data on trade flows by region and share of world total are provided in table 5.6, and tables 1.2.A and 1.2.B of the annex.

Table 5.6 Creative goods: Top 20 exporters worldwide, 1996 and 2005

Rank 2005	Exporter	Value (in millions of $) 2005	1996	Rank 1996	Market share % 2005	Growth rate % 2000-2005
1	China	61,360	18,428	3	18.3	17.6
2	Italy	28,008	23,654	2	8.3	5.9
3	China, SAR of Hong Kong	27,677	24,391	1	8.2	0.8
4	United States	25,544	17,529	4	7.6	3.6
5	Germany	24,763	13,976	5	7.4	14.2
6	United Kingdom	19,030	12,439	6	5.7	9.8
7	France	17,706	12,368	7	5.3	8.6
8	Canada	11,377	9,312	8	3.4	1.7
9	Belgium (1)	9,343	-	-	2.8	-
10	Spain	9,138	5,988	9	2.7	8.1
11	India	8,155	2,382	16	2.4	21.1
12	Netherlands	7,250	5,235	10	2.2	9.7
13	Switzerland	6,053	4,501	11	1.8	9.1
14	Japan	5,547	3,618	12	1.7	1.8
15	Turkey	5,081	1,763	20	1.5	18.3
16	Austria	4,883	2,355	17	1.5	11.1
17	Thailand (2)	4,323	-	-	1.3	5.1
18	Mexico	4,271	2,693	15	1.3	0.5
19	Poland	4,215	1,602	21	1.3	18.2
20	Denmark	3,449	2,341	19	1.0	8.5

Source: UNCTAD.
Notes: (1) Belgium and Luxembourg reported trade figures jointly from 1996 to 2001 and separately after 2002;
(2) Trade figures for creative goods from Thailand were available only after 1999.

[6] These high records by Africa and LDCs must be viewed with caution owing to statistical problems underlined earlier.

Developed economies: Top 10 exporters

Exports of creative goods from the developed economies showed positive trends during the period 2000-2005. Export earnings increased 42 per cent from $137 billion in 2000 to $196 billion in 2005. Design products provided the highest contribution to the trade balances of these economies, followed by publishing. Exports of arts and crafts increased in value but the developed economies lost market share as a result of the increase in exports by developing economies. Table 5.7 shows the top 10 developed economies in terms of their exports of creative goods in 2005. Italy ranked first thanks to its competitive position in design, which includes, among other items, interior objects and fashion accessories. The constant positioning of the same economies among the top 10 exporters in 1996 as well as in 2005 is also noteworthy.

Table 5.7 Creative goods: Top 10 exporters among developed economies, 2005

Rank	Developed economy	Value (in millions of $) 2005	Market share (%) 2005	Growth rate (%) 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.

Developing economies: Top 10 exporters

The dynamism of exports of creative products by developing economies is a new element in the creative economy. The increase in the export performance of China over the ten years was remarkable – from $18.4 billion in 1996 to $61.3 billion in 2005. During this period, exports of creative goods from developing countries increased 143 per cent, nearly tripling from $55.7 billion to $136.2 billion (chart 5.6). Asian economies accounted for more than three quarters of total exports of creative goods from economies of the South. This development is explained by major increases not only in China (233 per cent) but also in Southeast Asia (136 per cent) and Western Asia (237 per cent) during the period 1996-2005. Tables 1.4.3.A and 1.4.3.B in the annex show the performance of the top 10 exporting economies in terms of leading products of the creative industries.

In Latin America and the Caribbean, exports of creative goods more than doubled from approximately $3.5 billion to $8.6 billion although the level of exports from the region remains comparatively low given the potential of its creative industries. Only Mexico figures among the top ten exporters. Brazil, Colombia and Argentina appear on the list of main exporters of some specific creative items, as shown in table 1.4.3.A in the annex. In the Caribbean, total exports of all creative goods amounted to $57 million in 2005. Cuba and Trinidad and Tobago were the main exporters in the region. In summary, the Latin America and the Caribbean regions are net importers of creative goods and services.

Africa contributed marginally (less than 1 per cent) to world exports of creative goods during the period under consideration even though African exports of creative goods increased from $973 million to $1.8 billion during the period 2000-2005. South Africa was the largest African exporter, followed by Namibia, Tunisia, Morocco and Kenya. Ghana for the first time reported a considerable amount of exports of creative goods in 2005. Indeed, the weak presence of Africa in global markets reflects not only the limited supply capacity on the continent but also the fact that the great majority of creative and cultural production in Africa takes place in the informal sector for which statistics are non-existent.[7]

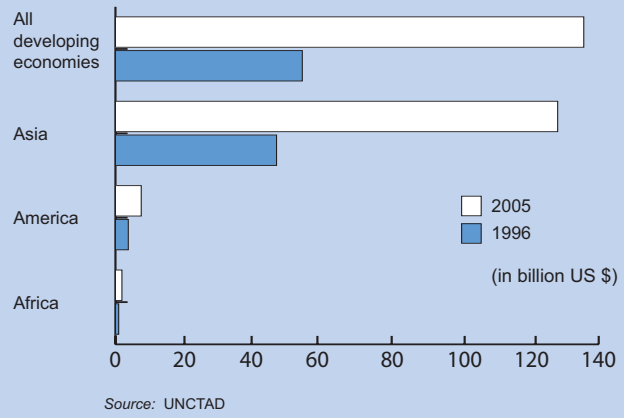
There are very limited available data for the LDCs. However, the existing data from the few reporting LDCs demonstrate the overwhelming importance of creative industries in some countries such as Cambodia, Mali, Senegal and the United Republic of Tanzania. The same observation is valid for the small island developing States (SIDS).[8]

The list of major exporters from developing economies is obviously led by China as the world's leading exporting country. It should be noted, however, that of the top 10 exporters of creative goods among developing economies, 9 are in Asia, as shown in table 5.8. Mexico is the only economy in Latin America that appears on the list, occupying sixth place. For the moment, African creative products are very under-represented in world markets despite the abundance of creative talent on the continent.

[7] The trade data for this Report were compiled on the basis of HS codes 1996 since this classification system is the most used universally. However, it may happen that some countries are reporting their figures using another nomenclature, Egypt being a case in point. For details, see the general explanatory notes in the annex.

[8] The existing statistical records of some developing countries need substantial improvement; data collection needs to be systematic and comparable nomenclatures and standard statistical codes need to be used. Otherwise, the difficulties in assessing the participation of developing countries in world trade of creative-industry products will remain.

Chart 5.6 Creative goods: Exports from all developing economies, 1996 and 2005



Source: UNCTAD

Table 5.8 Creative goods: Top 10 exporters among developing economies, 2005

Rank	Exporter	Value (in millions of $) 2005	Market share (%) 2005	Growth rate (%) 2000-2005
1	China	61,360	18.29	17.6
2	China, SAR of Hong Kong	27,677	8.25	0.8
3	India	8,155	2.43	21.1
4	Turkey	5,081	1.51	18.3
5	Thailand	4,323	1.29	5.1
6	Mexico	4,271	1.27	0.5
7	Malaysia	3,233	0.96	7.8
8	Singapore	3,067	0.91	17.5
9	Republic of Korea	2,942	0.88	2.8
10	Indonesia	2,833	0.84	0.1

Source: UNCTAD.

5.4 Regional economic groups in world markets

Exports of creative-industry products during the period 1996-2005 were led by Europe. As shown in table 5.9, the 27-member European Union (EU-27) is the leading regional economic grouping in exports of creative goods, dominating the market with 43 per cent of world exports of these goods. It should be recalled, however, that this increase also reflects the growing number of countries in the European Union. Conversely, there are fewer countries grouped as economies in transition, one of the reasons for their very low level of exports. European Union exports of creative products increased markedly during the period 1996-2005 for both goods and services. Its exports of creative goods totalled $96 billion in 1996, rising to $145 billion in 2005. For data on trade flows by trade group, see tables 1.5.A and 1.5.B in the annex.

Asia became the second largest exporting region in 2002, when the total value of its exports of creative goods surpassed the total exports of creative goods from North America, according to reported figures. As mentioned earlier, the main reason for this is the impressive growth of exports of creative goods from China, which increased 115 per cent from 2000 to 2005 when they reached $61.3 billion, plus $27.7 billion for the Hong Kong Special Administrative Region of China. Moreover, exports of creative goods from the 10 countries of the Association of Southeast Asian Nations (ASEAN) rose exponentially from $2.3 billion in 1996 to $14.3 billion in 2005. If the so-called ASEAN+3 (ASEAN plus China, Japan and the Republic of Korea) is considered, in 2005 their total exports of creative goods reached $84.2 billion while their exports of creative services totalled $5.3 billion (see table 5.9 as well as table 1.5.A in the annex). In other regions in Asia, including Western and Eastern Asia, production and exports of creative products also increased sharply from 1996 to 2005 (see table 1.1 in the annex).

In Latin America and the Caribbean, the performance of creative industries also improved but less rapidly. Taking into account the 34 countries that actively participate in the Free Trade Area of the Americas (FTAA),[9] their exports of creative goods increased from $30.3 billion in 1996 to $45.6 billion in 2005. Of the latter amount, $41.2 billion represented the exports from North America, that is, the exports from the three North American Free Trade Agreement (NAFTA) countries (Canada, Mexico and the United States). In the case of creative services, the dominant position of NAFTA countries in the region is greatly accentuated, and

[9] The FTAA includes all countries that are members of NAFTA (3) and the Common Market of the South (MERCOSUR) (4), plus other countries in Latin America and the Caribbean. All of these countries are members of the Organization of American States, of which 34 member States participate in world trade of creative industries. For further information on country groups, see the list of geographical regions in the annex.

Table 5.9 Creative goods: Exports, by regional economic group, 1996 and 2005

Regional economic group	Value (in millions of $) 1996	2005	Market share (%) 2005
America			
FTAA – 34	30,332	45,560	13.58
NAFTA – 3	29,534	41,192	12.28
MERCOSUR – 4	449	2,661	0.8
Asia			
ASEAN – 10	2,346	14,361	4.28
ASEAN+3	27,437	84,210	25.1
Europe			
EU-27	96,115	145,056	43.24
International			
ACP-79	20	1,387	0.41

Source: UNCTAD.

their exports further increased from $11 billion in 1996 to $24 billion in 2005. On the other hand, MERCOSUR countries have a small share in the world trade of creative goods despite the gradual increases; the four countries – Argentina, Brazil, Paraguay and Uruguay – together exported $3.5 billion of creative services and $2.6 billion of creative goods in 2005. The other countries of the region have a very small share in world trade of creative-industry products. In summary, the potential of creative industries in Latin America and the Caribbean has not yet been fully explored.

For the ACP Group, which covers the 79 countries of Africa, the Caribbean and the Pacific, these economies are not yet benefiting from the huge potential of their creative industries despite their rich cultural assets. Their share in world markets remains extremely small. Nevertheless, attention should be paid to the improvements of recent years. Exports of creative goods increased from $20 million in 1995 to $1.4 billion in 2005. The same situation applies for the group of 50 LDCs as well as to the SIDS. (Most of the LDCs and SIDS are also members of the ACP Group). Undoubtedly, further efforts should be made to enhance creative capacities for trade and development gains in all these countries.

5.5 Prospects for North-South and South-South trade in creative goods and services

The dynamism of exchanges of creative-industry products described in this chapter confirms promising prospects for increased regional trade flows among countries in all regions. North-South trade in both the traditional creative areas as well as new areas related to digitalization, including new media, is expanding. A recent study by UNESCO[10] on cultural exchanges confirms that regional trade agreements (RTAs), free trade agreements (FTAs) and economic unions are stimulating trade and investments in audiovisuals among their member countries.

In the North-South direction, as in the case of the Central American Free Trade Agreement (CAFTA), the numerous bilateral agreements are reinforcing this trend. This is attested to by the sharp increase in imports of creative-industry products, in particular trade in television and radio programmes, films, books and educational materials including educational software. With the consolidation of FTAs and RTAs, many modalities of cooperation are emerging for co-production in the field of films and television programmes as well as for the creation of joint ventures in both the South-South and the North-South sphere.

Creative services such as architectural services constitute one of the best examples of trade ventures. In addition, the Economic Partnership Agreement between the European Union and the ACP States (79 countries) as well as the FTA with others countries including with the Euro-Mediterranean countries, and the European Union bilateral treaties with other countries provide grounds for more trade liberalization than WTO agreements through the application of Article XXIV of the General Agreement on Tariffs and Trade (GATT) and Article V of the General Agreement on Trade in Services (GATS).

Despite the deficiencies in data collection of trade statistics for accurately measuring trade flows of creative goods and services, tables 1.5.A.1/1.5.A.2 and 1.5.B.1/1.5.B.2 in the annex show the evolution of trade in creative goods for the period 1996-2005 for major regional trade groups. As tables 1.5.A.1 and 1.5.A.2 reveal, the value of exports of creative goods by all regional trade groups greatly increased over the decade.

The 27-member European Union maintained its

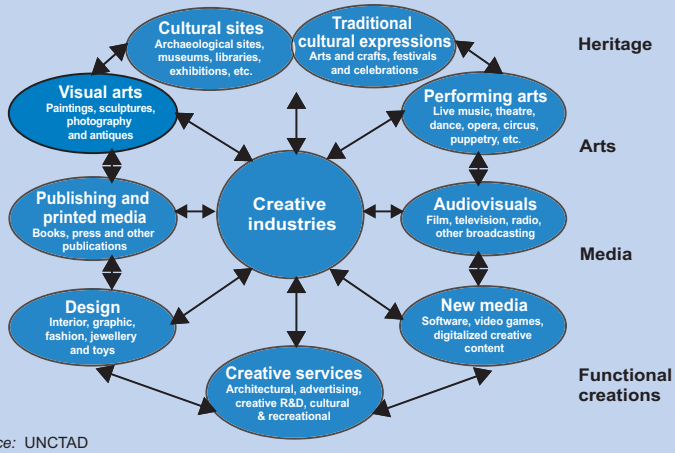
[10]UNESCO, *Trends in Audiovisual Markets: Regional Perspectives from the South* (UNESCO document CI/COM/2006/PUB/10), Paris, 2006.

leading position as the major exporting group for creative goods, with exports totalling $96 billion in 1996 and $145 billion in 2005. Exports from Latin America and the Caribbean from the FTAA economies increased from $30.3 billion to $45.6 billion at an annual growth rate of about 13 per cent during the period 1996-2005. The greatest growth was in the ASEAN group of countries; although starting from a lower level of $2.3 billion in 1996, their exports reached $14.3 billion in 2005. However, if ASEAN+3 is considered, this enlarged group of Asian countries increased their exports from $27 billion to $84 billion in 2005, increasing their share of the world market for creative goods from 15 per cent in 1996 to 25 per cent in 2005. While the group of 79 ACP States and the MERCOSUR group of four countries also improved their export performance, both still accounted for less than 1 per cent of world trade in creative goods.

5.6 Global trends in international trade of creative industries, by subgroup

The structure of world exports of creative goods and services by subgroup in 1996 and 2005 is presented in table 5.10. The components of this table will be referred to under each group to widen the scope of the overall analysis. The order of the groups follows the UNCTAD definition of creative industries as described in chapter 1, starting with the more traditional groups led by heritage and arts, followed by the more technology-intensive and services-oriented groups of media and functional creations. Figure 1.3 is provided again to facilitate understanding of the structure of the analysis.

Reintroduction of figure 1.3: UNCTAD classification of creative industries



Source: UNCTAD

5.6.1 | Heritage

Features

Cultural heritage comprises the vestiges of our society. Heritage sites are relics of ancient civilizations, over the years considered as cultural patrimony of mankind and the heritage of nations. In addition to their cultural and historic value, such unique endowments contribute to reinforcing our identities and broadening our education. Heritage sites are the main attractions in cultural tourism all over the world. For some countries, these sites are major sources of revenue, albeit usually not reported as cultural services of the creative economy (see chapter 2).

Heritage is also embedded in the traditional cultural expressions of human creativity, manifested in cultural celebrations, festivals and folklore. In different parts of the world, native peoples and communities are keeping alive, and sometimes reviving and rescuing, old traditions by reproducing ancient crafts, using their original designs. This is attested to by many indigenous communities that, through traditional knowledge, keep alive remnants of ancient civilizations such as the Mayas in Guatemala and the Incas in Bolivia and Peru. For these populations, the production and sale of handicrafts based on traditional designs and raw materials are sometimes the only source of revenue.

As shown in table 5.10, the heritage domain comprises tangible and intangible goods and services. A carpet is an example of heritage goods while heritage services cover the cultural and recreational services that are associated with historical monuments, archeological sites, museum, libraries, archives, etc. Traditional cultural festivities, including festivals, are culturally important creative activities for developing countries, particularly when associated with tourism, even if data on these festivities are usually not collected worldwide.

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

Subgroup	Value (millions of $)	As % of all creative industries	As % of total world exports (goods/ services) (2)	Value (millions of $)	As % of all creative industries	As % of total world exports (goods/ services) (2)	Growth rate
	1996 (1)			2005 (1)			1996-2005
All creative industries (3)	**227,451**	**100.00**	-	**424,427**	**100.00**	-	**6.4**
All creative goods (4)	189,214	83.18	3.50	335,494	79.04	3.21	6.0
All creative services (5)	38,237	16.82	2.87	88,933	20.96	3.50	8.8
Heritage	**15,760**	**6.72**	-	**26,692**	**5.99**	-	**5.4**
Arts and crafts goods	14,738	6.28	0.27	23,244	5.22	0.22	4.3
Other cultural services	1,022	0.44	0.08	3,448	0.77	0.14	12.9
Visual arts	**10,331**	**4.40**	-	**22,149**	**4.97**	-	**7.9**
Visual arts goods	10,331	4.40	0.19	22,149	4.97	0.21	7.9
Performing arts	**5,100**	**2.17**	-	**14,924**	**3.35**	-	**13.5**
Music goods	5,100	2.17	0.09	14,924	3.35	0.14	13.5
Publishing & printed media	**32,180**	**13.71**	-	**44,304**	**9.95**	-	**3.4**
Publishing goods	32,180	13.71	0.60	44,304	9.95	0.42	3.4
Audiovisuals	**6,682**	**2.84**	-	**18.182**	**4.08**	-	**10.5**
Audiovisual goods	355	0.15	0.01	664	0.15	0.01	7.6
Audiovisual and related services	6,327	2.69	0.48	17,518	3.93	0.70	10.7
New media	**6,804**	**2.90**	-	**12,035**	**2.70**	-	**6.5**
Media goods	6,804	2.90	0.13	12,035	2.70	0.12	6.5
Design	**119,706**	**50.98**	-	**218,173**	**49.00**	-	**6.2**
Design goods	119,706	50.98	2.22	218,173	49.00	2.09	6.2
Creative services	**38,236**	**16.29**	-	**88,779**	**19.95**	-	**8.7**
Architectural and related services	9,828	4.19	0.74	27,722	6.23	1.11	10.9
Advertising and related services	5,008	2.13	0.38	15,703	3.53	0.63	12.1
Research and development services	13,336	5.68	1.00	17,990	4.04	0.72	3.0
Personal, cultural and recreational services	10,064	4.29	0.76	27,364	6.15	1.10	10.5

Source: UNCTAD secretariat calculations based on data in United Nations Comtrade.

Notes: (1) Reported official figures for creative goods based on 54 reporting countries in 1996 and 131 countries in 2005; creative services based on 57 reporting countries in 1996 and 90 countries in 2005. (2) This column shows the percentage of creative goods in total world merchandise trade, and percentage of creative services in total world trade in services, respectively. (3) All Creative Industries are composed of All Creative Goods and All Creative Services. (4) All Creative Goods are composed of arts and crafts goods, visual arts goods, music goods, publishing goods, audiovisual goods, new media goods, and design goods. (5) All Creative Services are composed of advertising, market research and public opinion polling services; architectural, engineering and other technical services; research and development services; and personal, cultural and recreational services. Audiovisual and related services and other cultural and recreational services are sub-items of personal, cultural and recreational services. For definitions, please refer to the general explanatory notes, paragraph 14, in the annex.

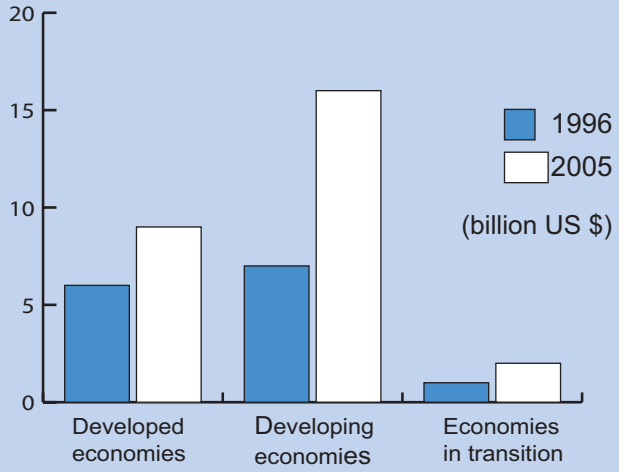
The carnival in Brazil is a good illustration of the economic importance of traditional celebrations (see box 2.2 in chapter 2). The evolution of exports from the heritage goods and services is shown in chart 5.7. This is the only group of creative industries in which developing countries have a strong participation in world markets due to the importance of the production and trade of arts and crafts.

To define and classify arts and crafts is a complex exercise.[11] Arts and crafts have distinctive features and they can be utilitarian, aesthetic, artistic, creative, culturally attached, decorative, functional, traditional, and religiously and socially symbolic.[12] The value chain in arts and crafts production is intricate due to the lack of formalized policies and often informal workings; as a result, the classification of items is

[11] A definition adopted by ITC and UNESCO considers that artisan products are those produced by artisans either completely by hand or with the help of hand tools or even mechanical means as long as the direct manual contribution of the artisan remains the most substantial component of the finished product. Artisan products can be classified in several categories, the six main ones being basket/wicker/vegetable fiber works; leather; metal; pottery; textiles; and wood.

[12] See Promoting the Culture Sector through Job Creation and Small Enterprise Development in SADC Countries: Crafts and Visual Arts, ILO Infocus Programme, Working Paper No. 51, Geneva, 2003.

Chart 5.7 Heritage goods and services: Exports, by economic group, 1996 and 2005



Source: UNCTAD Database

very subjective. Usually there is no clear distinction between artisan handmade work and machine-made production. Moreover, in some cases, it is difficult to identify significant differences between arts and crafts and visual arts or design.

In this situation, this Report is presenting first-hand figures for international trade in arts and crafts. In our view, it would seem irrelevant to analyse the creative economy from the development perspective without due attention to arts and crafts, which is one of the most traditional expressions of creativity and certainly the most important creative industry for the majority of developing countries. Our aim is to provide some evidence of the importance of an essential economic activity often disregarded and disconnected from public policies. Arts and crafts is a genuine creative industry that should be supported and enhanced in many developing countries, particularly in the most disadvantaged communities. The production and international trade of arts and crafts are vectors for job creation and export earnings and therefore feasible tools for poverty alleviation as well as the promotion of cultural diversity and transfer of community-based skills. This is just a preliminary step in work in an area that requires further research, analysis and policy interventions.

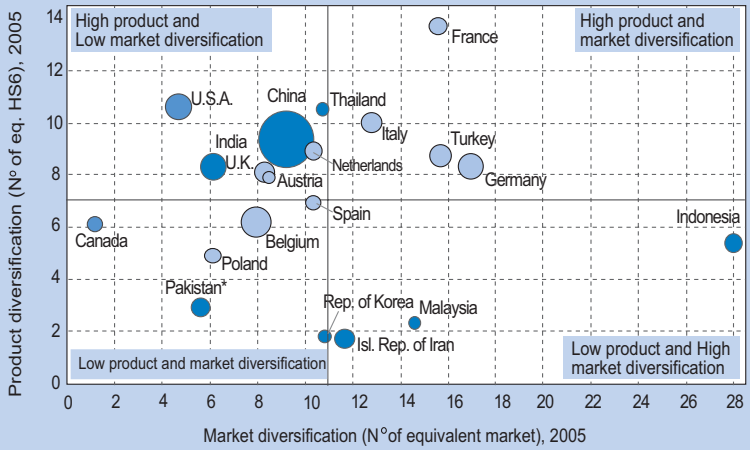
International trade

Arts and crafts

International trade in arts and crafts totalled $23.2 billion in 2005. The global market for arts and crafts is expanding and clearly is not negligible; world exports increased 6.5 per cent during the period 2000-2005, from $17.7 billion in 2000 to $23.2 billion in 2005. Arts and crafts is the most important creative industry for export earnings in developing countries as well as a major item in the exports of developed countries. Asia and Europe are the main exporting regions for arts and crafts on the basis of data available and the classification of items jointly elaborated by UNCTAD and the ITC secretariats.[13]

Among the arts-and-crafts products with greater penetration in world markets are carpets, celebration items, yarn products and wickerwork. It is noteworthy that among the ten leading exporting economies, there are only four developing economies. Worldwide, China is the leading exporter of artisan products, with a strong product diversification. France, Germany, Italy and Turkey are the economies with the most diversified range of arts-and-crafts exports. However, Indonesia, Malaysia and the Islamic Republic of Iran are countries that have diversified their target markets but exports have been concentrated on a few products. Pakistan, Poland and the Republic of Korea are the countries

Chart 5.8 Arts and crafts: Market and product diversification in world markets



Source: ITC CountryMap.
The size of the bubble is proportional to total country exports in 2005.

[13]See the analysis in chapter 4 regarding the methodology adopted as well as the explanatory notes in the annex. Arts and crafts is a broad subsector of the creative industries covering a wide range of items, including hundreds of items for which details of trade data could not be presented in this Report. For further information, please consult the UNCTAD Global Databank on Creative Economy and Industries, www.unctad/statistics.org or the ITC secretariat at www.intracen.org .

Table 5.11 Arts and crafts: Exports, by economic group and region, 2000 and 2005

Economic group and region	Value (in millions of $)		Annual change (%)
	2000	2005	2000-2005
Worldwide	**17,707**	**23,244**	**6.5**
Developed economies	**6,812**	**9,118**	**7.0**
Europe	5,421	7,498	7.6
United States	861	977	2.7
Japan	120	88	-5.3
Canada	248	343	7.7
Developing economies	**10,756**	**13,881**	**6.1**
Eastern, Southern and Southeastern Asia	9,310	11,832	5.4
China	3,012	5,602	17.2
Western Asia	581	1,127	18.8
America Latin America and Caribbean	727	624	-2.8
Africa	129	296	25.8
LDCs	190	54	-14.3
SIDS	32	25	-4.4
Economies in transition	**139**	**245**	**12.4**

Source: UNCTAD.

whose exports are more concentrated in major markets, as shown in chart 5.8. The evolution of trade by region is presented in table 5.11. For further details about trade flows, see tables 1.2.A and 1.2.B in the annex.

In 2005, arts and crafts exported from developed economies totalled $9.1 billion, accounting for nearly 40 per cent of total world exports of creative goods. The carpet was the most important item exported, followed by yarn (see table 1.3.2.A of the annex). Among the 10 major exporters of arts and crafts among developed economies, Belgium and Germany had the best export performance in 2005, as shown in table 1.4.2.A in the annex. Data on economies in transition are very deficient with respect to all creative industries; in 2005, their exports totalled $4.8 billion, accounting for about 1 per cent of total exports of creative goods, as shown in table 1.4.4.A in the annex.

Table 5.12 Arts and crafts: Top 10 exporters among developing economies, 2005

Rank	Developing economy	Value (in millions of $)	Market share (%)	Growth rate (%)
		2005	2005	2000-2005
1	China	5,602	24.10	14.1
2	China, SAR of Hong Kong	2,266	9.75	-6.9
3	India	1,063	4.57	11.6
4	Turkey	951	4.09	14.8
5	Pakistan	626	2.69	34.5
6	Iran (Islamic Republic of)	621	2.67	-1.9
7	Indonesia	387	1.67	4.0
8	Thailand	301	1.30	5.6
9	Republic of Korea	286	1.23	0.6
10	Malaysia	265	1.14	14.2

Source: UNCTAD.

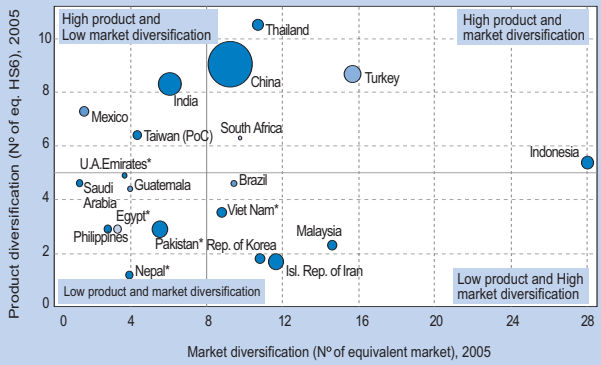
Key players from the developing world

Arts and crafts is the only creative industry where developing countries have a leading position in the global market. For this creative sector, developing-country exports nearly doubled in ten years, increasing from $7.7 billion in 1996 to $13.8 billion in 2005, accounting for 60 per cent of total world exports of creative goods. Tourism and the expansion of leisure and art markets will continue to contribute to the dynamism of arts and crafts in world trade. At the national level, efforts to enhance the production of arts and crafts in developing countries can help to preserve cultural identity and foster economic development through art and culture. However, policies and incentives are required to promote cultural policy while exploring new trade opportunities. These two objectives are mutually supportive and can promote inclusive development at the grass-roots level.

China headed the list of top exporters of arts and crafts in 2005, with an important market share (24 per cent) compared with that of other developing countries (see table 5.12). Asia dominated the arts and crafts market: all ten major exporters of arts and crafts from developing countries were from Asia. Exports from India doubled in ten years, reaching $1.1 billion in 2005. For details on the exports and imports of arts and crafts by the key market players in each product group, see tables 1.4.3.A and 1.4.3 B in the annex.

Chart 5.9 on the diversification of arts and crafts in developing economies confirms the predominance of Asian countries as the major exporters of arts and crafts. China, Thailand, Turkey, Indonesia and South Africa show high product and market diversification while for India and Mexico, arts and crafts are diversified in terms of export products. On the other hand, Brazil, Viet Nam and Malaysia are countries that are rather diversified in terms of target markets.

Chart 5.9 Arts and crafts: Market and product diversification of developing economies



Source: ITC CountryMap.
The size of the bubble is proportional to total country exports in 2005.

Cultural and recreational services

As regards cultural and recreational services, which include museums, libraries, archives and historical sites, world revenues reached $3.4 billion in 2005 as compared with $1 billion in 1996. Among all the creative services, these services experienced a high annual growth of 12.9 per cent during the period 1996-2005, which is double the growth of all creative industries although a very limited number of countries provide data in this area.

The level of participation of developing countries in this market is low. Malaysia and Turkey are the countries that are benefiting from their cultural services in terms of export earnings, as per the available data. An overview of exports of cultural and recreational services is provided in table 2.7.A while information on imports is presented in table 2.7.B of the annex.

5.6.2 | Performing arts

The performing arts are important creative industries, particularly owing to their interaction across other creative activities such as music, costumes and broadcasting. This subgroup covers all sorts of stage art, performed live by artists for an audience. Performing arts can take the form of theatre, opera, poetry, dance, ballet, concerts, the circus, puppetry, etc., usually for cultural, educational, entertainment and business purposes.

It is not possible to provide a comprehensive analysis on performing arts in the context of this chapter owing to the lack of data for measuring their economic impact in world markets, and in particular for the trade balance of countries. The main income from performing arts derives from box-office revenues, national and international touring, and performance royalties. In most developed economies, the performing arts benefit from government grants or subsidies and funding from foundations or other profit or non-profit organizations. In developing economies, however, when such funds exist, they are very limited.

Performing arts are a special case since their products are expressed only as an intangible service, unlike other subgroups of the creative industries for which figures for international trade of tangible creative goods (such as a sculpture for visual arts) are indicators for evidence-based economic analysis. In the performing arts, the focus is on the artist as provider of performing services, and there are issues relating to labour-market conditions that need to be addressed at both the national and international levels.

The employment conditions of artists are often precarious. Artists' contractual obligations usually are project-based, with periods of unemployment between engagements being a normal feature of their working lives. Most performing artists work on an irregular, part-time or self-employed basis, with limited coverage for medical and pension schemes, particularly in developing countries. This is an area requiring public policies at the national level. The ILO, in collaboration with UNESCO and other international organizations, is developing an international framework of all occupational categories of the cultural sector. The aim is to assist governments to have the necessary information about the labour aspects of their creative industries as a tool to facilitate policy formulation for improving employment conditions and job creation in the sector.

Internationally, the mobility of artists is an issue under negotiations at the WTO Doha Round in the context of the GATS agreement for liberalization of trade in services. Issues related to the "free movement of natural persons" and the policy debate about the four modes of supplying services are particularly relevant for artists, performers, choreographers, musicians, etc. (see chapter 9). The international community should find and agree upon solutions to provide opportunities to enable those working in performing arts to have greater access to international markets so that they will be able to offer and export their creative and cultural services worldwide.[14]

International touring of performing artists and groups has a dual role. From the cultural perspective, it helps to promote cultural exchange and cultural diversity. Economically, it not only generates revenue for the performers, which translates into foreign earnings for their countries, but it also induces positive spin-offs and financial benefits for the hosting cities. The success story featured in box 1.5 in chapter 1 concerns a traditional performing art – the circus – that reinvented itself for the joy of its world audience.

[14]Issues relating to WTO multilateral negotiations are further elaborated in chapter 9.

Music

Features

Music is a talent-based creation and one of the central creative industries, with great cultural and economic value in all societies. Everywhere in the world, music is the universal idiom to give expression to our feelings and aspirations. Sharing a musical experience, whether domestically or internationally, is an act that goes beyond established boundaries and transcends existing divides. For centuries, composers, singers and musicians have been carrying their local musical traditions across geographical borders, contributing to the fusion of music styles among many cultures even if the lyrics remain an expression of cultural diversity mirroring local realities. Music is an essential instrument of intercultural dialogue.

Today, thanks to technological advances, local music can reach out to global audiences almost instantaneously. Digital technologies are also a tool for assisting artistic creativity in music making. Connectivity has changed lifestyles and the way in which music is created, produced, reproduced, commercialized and consumed in national and global markets. Therefore, trade of music became very closely linked to the use of new digitalized tools such as the Internet peer-to-peer (p2p) networks, mobile telephones and MP3s. As a consequence, the world market for music has adapted to changing business models emerging from new forms of production, marketing and distribution of music goods and services, particularly digitalized products (see also chapters 3 and 7).

Furthermore, music is not only a cultural expression and a form of entertainment but also a very dynamic creative industry in global trade and big business in the world economy, responsible for millions of jobs and income-generation worldwide. Trade figures for physical goods alone, such as sales of CDs and tapes, cannot capture the huge contribution of the music industry to the economies of many countries. The value chain and the market structure of the music industry are very complex. The size of international markets cannot be captured by a simplistic analysis with incomplete statistics and economic indicators. The absence of figures for copyright revenues and the obscurity of intra-firm financial transactions of the large transnational conglomerates, usually vertically and horizontally integrated, which dominate the production, distribution and copyrights of music products, are missing links for any sound analysis of the world music industry.

Music is not only part of the performing arts subgroup of creative industries when considered in terms of live performances and concerts, but it may also be included as part of the broader area of audiovisuals when dealing with the creation of sound records and compositions. Music can also be classified under the new-media subgroup when music goods and services are traded virtually as creative content in digitalized form. For these reasons, music is featured apart for the purpose of trade and statistical analysis presented in this Report.

A paradox faced by those involved in the music market is that while more and more music is being consumed worldwide, particularly by youth, the earnings received by songwriters, producers and performers have been declining. This situation reflects two key issues: (a) the lacunae in the current regimes of IPRs, and (b) the need for songwriters and the singers to retain greater control over their music and make better use of all ICT tools for accessing global markets. In order to tackle these IPR issues, the music industry is facing a number of challenges. The first is to call for the enforcement of development-oriented copyright legislation by governments and international treaties. The second is to develop a commercially viable and legitimate alternative to the illegal but free downloading of copyrighted content. Indeed, a piece of written music can be protected by copyright and related rights at each stage of its life, and the composition can be protected for the composer's lifetime plus seventy years. In practice, however, a publisher offers to buy the rights of a piece of music and seeks to exploit it by means of recordings, etc.[15] As UNCTAD analysis has indicated, "Despite some early success in several for-pay music download portals, the creative and business power of the Internet will be greatly advanced when artists, industry and audiences master how to better commercialize peer-to-peer (P2P) file sharing" and online distribution.[16]

Against this picture, the trade figures shown in this chapter as well as in the annex should be seen as merely indicative of market trends. The trade flows based on national reported figures amounted to $14.9 billion in

[15]This straightforward explanation is shared by J. Howkins in his book, *The Creative Economy*, London, 2001, p. 100. This Report further elaborates on issues relating to intellectual property rights in chapter 6.

[16]The UNCTAD *E-Commerce and Development Report 2004* (document UNCTAD/SDTE.ECB.2004.1) contains a comprehensive analysis of this matter (see chapter 3, "Creative industries and digital and Internet technologies: The case of music", pp. 61-94). The report is available at: http//www.unctad.org/ecommerce/ecommerce_en/edr04_en.htm.

2005 whereas private sources such as the International Federation of the Phonographic Industry estimated a market value at about $20 billion[17]. The issue is how to measure the economic impact of the music industry in the absence of disaggregated indicators for trade, employment, copyrights, marketing and distribution. It is clear that political will at the national level, combined with a well-coordinated effort by international institutions, is needed in order to improve market transparency and deal with the imbalances affecting the functioning of world markets in the area of audiovisuals in general and the music industry in particular.

International trade

On the basis of available figures, world exports of recorded music tripled from $5 billion in 1996 to $14.8 billion in 2005, accounting for 4.4 per cent of total exports of creative goods. This spectacular increase – 13.5 per cent annual growth during the period 1996-2005 – represents the highest rise in growth rates among the exports of all the creative industries. The sales of compact discs (CDs) is the main physical good used for trade analysis of recorded music; it represents more than 99 per cent of world music exports nowadays (see table 5.13 as well as tables 1.2.A and 1.2.B in the annex).

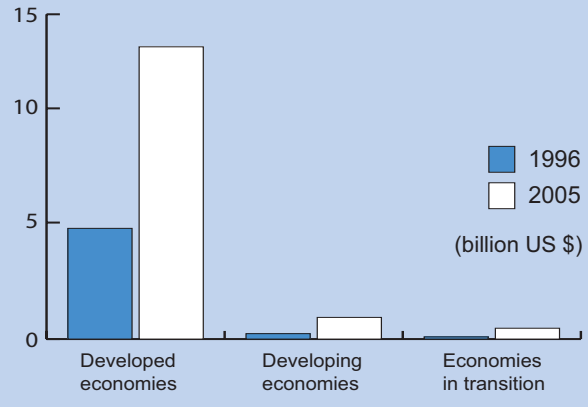
International trade in music continues to be dominated by developed economies. As a group, these economies accounted for about 90 per cent of total exports of recorded music (mainly CDs) over the period under review. Their exports increased sharply from $6.2 billion in 1996 to $13.4 billion in 2005. Similarly, imports by developed economies tripled, following the same trend, reaching $13.8 billion in 2005. Developed countries' exports and imports of music CDs accounted for about 80 to 90 per cent of world trade in music goods. Among the top 10 developed economies, the rankings showed only minor changes from 1996 to 2005.

Table 5.13 Music: Exports, by economic group and region, 2000 and 2005

Economic group and region	Value (in millions of $) 2000	2005	Growth rate (%) 2000-2005
World	**7,076**	**14,924**	**17.0**
Developed economies	**6,208**	**13,424**	**17.6**
Europe	4,746	11,172	27.0
United States	991	1,491	10.0
Japan	156	297	18.0
Canada	225	376	13.4
Developing economies	**841**	**1,412**	**12.5**
Eastern, Southern and Southeastern Asia	666	1,049	11.5
China	58	135	26.8
Western Asia	17	20	3.2
Latin America and Caribbean	151	336	24.6
Africa	8	7	-1.5
LDCs	2	0	-19.6
SIDS	0	2	86.7
Economies in transition	**26**	**88**	**17.1**

Source: UNCTAD.

Chart 5.10 Music: Exports, by economic group, 1996 and 2005



Source: UNCTAD Database

Key players in global markets

World trade in music is driven by developed economies. As shown in table 5.14, together the five top exporters have about 60 per cent of global markets. Germany predominates with a market share of 23 per cent, followed by the United Kingdom, the United States, Austria and the Netherlands, each with about 10 per cent. All the top players benefited from the dynamism of the market in the period 2000-2005, particularly Germany, which enjoyed a growth rate of 39 per cent, reinforcing its leading position. What these figures do not show is the oligopolistic market structure of the world production and distribution of music. This structure is dominated by four vertically integrated major conglomerates that together and through their subsidiaries retain nearly 80 per cent of the world market for recorded music. This situation inhibits music production by

[17] The International Federation of the Phonographic Industry (IFPI) publishes an annual report, *Recording Industry in Numbers*, which presents data provided by companies from its 1,450 members in 75 countries and affiliated industry associations in 49 countries. The IFPI figures are widely used as a reference for business in the world music market. Nevertheless, as many developing countries are not members of the Federation, data presented do not have a universal coverage nor do they capture the interests of small or independent producers. The 2007 report indicates that the world sales of music totalled $20 billion, of which $1 billion was in the form of downloads.

Table 5.14 Music: Top 10 exporters among developed economies, 2005

Rank	Developed economy	Value (in millions of $) 2005	Market share (%) 2005	Growth rate (%) 2000-2005
1	Germany	3,481	23.32	39.0
2	United Kingdom	1,596	10.70	16.5
3	United States	1,491	9.99	10.1
4	Austria	1,347	9.02	9.0
5	Netherlands	1,325	8.88	18.6
6	Ireland	801	5.37	12.9
7	France	644	4.32	18.0
8	Canada	376	2.52	10.8
9	Sweden	347	2.32	23.5
10	Belgium	313	2.09	-

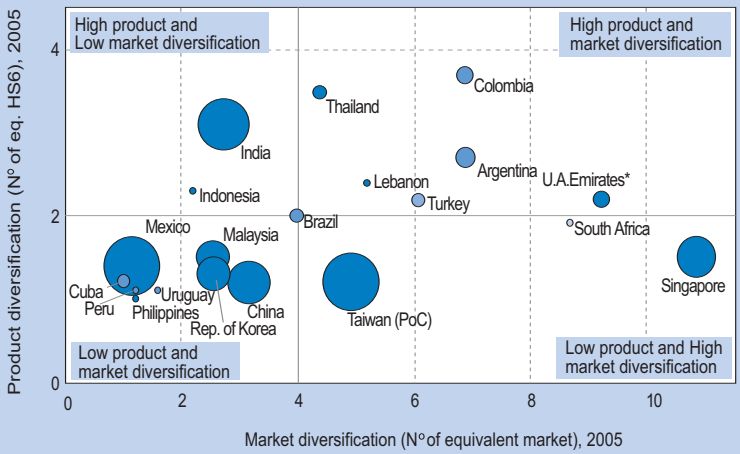
Source: UNCTAD.

Table 5.15 Music: Top 10 exporters among developing economies, 2005

Rank	Developing economy	Value f.o.b. (in millions of $) 2005	Market share (%) 2005	Growth rate (%) 2000-2005
1	China	373	2.50	16.8
2	Mexico	249	1.67	27.5
3	India	185	1.24	95.1
4	China, SAR of Hong Kong	181	1.21	-2.1
5	Singapore	119	0.80	27.0
6	Malaysia	81	0.54	40.9
7	Republic of Korea	80	0.54	22.0
8	Argentina	34	0.23	21.6
9	Colombia	20	0.14	2.0
10	Turkey	15	1.95	6.3

Source: UNCTAD.

Chart 5.11 Music: Market and product diversification of developing economies



Source: ITC CountryMap.
The size of the bubble is proportional to total country exports in 2005.

independent local producers in developing countries. However, downloading music from the Internet is gradually transforming this picture, as indicated earlier.

Despite the low level of participation of developing economies in the world trade of recorded music, from 2000 to 2005 their exports increased 12.5 per cent, totalling $1.4 billion in 2005, or 9.5 per cent of world music exports. Economies in transition had $63 million in exports of recorded music and $171 million in imports in 2005. A common feature of developing economies and economies in transition with respect to the music industry is that both economies are net importers of recorded music. The main reason is that in most cases, despite the fact that the music – the creative content – is created in developing countries, it is recorded and commercialized by transnational companies inside the countries or abroad. As a result, developing countries import not only foreign music but also their own music.

Asia is the developing region with better, although small, penetration in global markets for music, reflecting increases in exports, particularly from China and India. India increased its exports from a very low level, reaching $185 million in exports of recorded music in 2005. It is noteworthy that China and India each has a regulatory framework that is less conducive to the penetration of the major conglomerates; therefore, both countries have independent domestic music production.[18] Malaysia, the Republic of Korea and Singapore all improved their export performance between 2000 and 2005.

Surprisingly, Latin America and the Caribbean are practically absent from world markets for recorded music despite the great appeal of their music worldwide. Mexico is the leading exporter from the region while Argentina and Colombia are very small players. Brazil is an important music producer, with a large domestic market but with a very timid presence in the world market in terms of exports despite the fact that its famous music is played worldwide. This is a typical case of structural problems of marketing and distribution, as explained earlier and below. A similar situation hampers foreign exchange earnings from reggae and calypso music in the Caribbean in addition to the fact that their music industry is highly

[18] See UNESCO, Trends in Audiovisual Markets, Paris, 2006, p. 78.

fragmented and lacks a strong institutional framework.[19]

The case of Latin America and the Caribbean is an illustration of the difficulties faced by developing countries in their efforts to benefit from the earnings of their own music. As mentioned earlier, the key issues are associated with the market structure and the dominant position of the major conglomerates and their business practices. Three main aspects stand out: (a) intra-firm trade between headquarters and subsidiaries, where transfer pricing may result in underestimation of trade figures;[20] (b) the origin of the cultural or creative content: as most of the music is recorded in studios abroad where it is published and from where it will be distributed to world markets, the international sales of the final product are declared elsewhere; and (c) copyrights are also collected by the publisher in the country where the music is produced. As a result, export earnings from world sales as well as revenues from royalties and copyrights are retained abroad instead of reverting to the homeland of the singer-songwriter in developing countries.[21] This topic is further elaborated in chapters 3 and 6.

African countries are absent from table 5.15. Indeed, African music production has a special characteristic because the big conglomerates have a weak presence on the continent. As a result, music production is largely independent, informal, small in scale and domestically oriented, except in South Africa. Recently, steps have been taken to better structure the music industry, mainly through private initiatives taken by African music stars such as Youssou N'Dour in Senegal and Salif Keita in Mali as well as by professional associations. Nevertheless, government intervention is needed to support these individual actions, particularly in order to put in place supportive fiscal regulations and mechanisms for micro credit for independent artists as well as to reinforce IPR regimes in a more favourable manner, aiming to better benefit local African artists.

5.6.3 | Visual arts

Features

The main characteristic of the market for visual arts is the focus on the exclusivity and originality of an artwork. The rarer a piece of art, the more value it is likely to have. Sales are much more personalized and products are created with a uniqueness that makes works of art hardly comparable. Consequently, each piece has its own value, which can vary over time, making each transaction a unique deal.

Art markets operate differently in developed and developing economies. Auction sales are predominant in developed economies and uncommon in the developing world. While most of the sales in major markets take place in galleries and museums, in developing economies, most artwork is traded informally in flea markets targeting tourists. Owing to the limited number of formalized structures, appropriate legislation and social safety nets, very few artists from developing countries are able to survive as full-time artists and fully benefit from the revenue of their artwork. Awareness of artist's rights is usually limited. Moreover, most artists are vulnerable and unprepared for negotiating their work with agents such as curators, collectors, dealers and buyers.[22]

Nowadays, not only is contemporary art by artists and with materials from, developing economies receiving increasingly attention in world markets, but there is also a renewed interest in original art rooted in indigenous traditional knowledge. New Internet-based delivery networks are offering new opportunities for greater international exposure of visual arts from the South. Furthermore, the organization of international expositions, trade fairs and major events such as the Biennales of Cairo, Dakar, Havana and São Paulo, which became part of the international art calendar, have been contributing to the promotion of artwork within the regions and internationally.

The visual arts subgroup of creative industries comprises antiques, painting, sculpture and photography as well as the open-ended miscellaneous items of "other visual arts" consisting of engravings, carvings, lithographs, collages and other ornaments. The categorization of the products in this subgroup is more precise but it is widely recognized that owing to tax regulations and trade secrets, reported figures do not always correspond to final deals. Another special feature of visual arts is that exports of some art and antique pieces are restricted or prohibited by governments with a view to preserving cultural identity, national heritage or the environment, including wildlife, as in the case of the embargo in many countries of exports of artworks made of ivory.

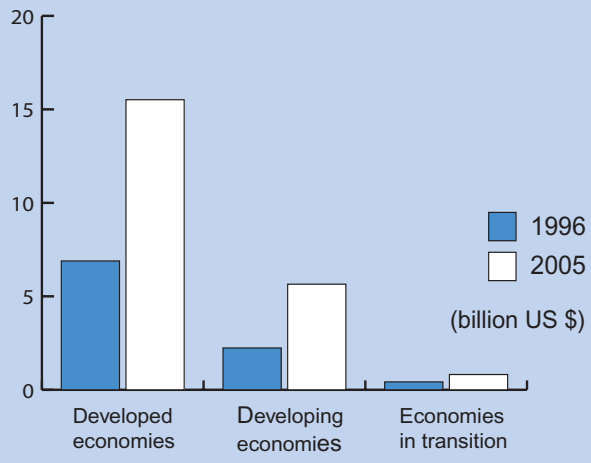
[19] See *The Cultural Industries in CARICOM: Trade and Development Challenges*, K. Nurse, Barbados, 2006, p. 34.
[20] This issue has also been raised by UNESCO in *International Flows of Selected Cultural Goods and Services, 1994-2003*, Montreal, 2005, pp. 18-19.
[21] See UNCTAD, "Becoming a globally competitive player: The case of Jamaican Music Industry" by Z. Kozul-Wright and L. Stanbury, Discussion Paper, 1998.
[22] See ILO study *Promoting the Culture Sector through Job Creation and Small Enterprise Development in SADAC Countries: Crafts and Visual Arts*, Geneva, 2003.

International trade

Global art markets have expanded vertiginously in recent years. World trade in visual arts more than doubled, jumping from $10.3 billion in 1996 to $22.1 billion in 2005, reflecting the climbing sales of a mix of contemporary art and antiques. This means a market that experienced a significant average annual growth of 8 per cent and that accounted for 6.6 per cent of total exports of creative goods. Among the main artworks traded internationally are those covered under the miscellaneous group described above, which in 2005 accounted for 50 per cent of total global sales. Second was sculpture, which also covers the traditional ornamental articles nowadays expressed as the three-dimensional works of contemporary art; the total value of exports of these products reached $6 billion in 2005, of which developing economies had nearly a 70-per cent market share.

The market for antiques witnessed spectacular growth of 100 per cent in ten years, increasing in value from $1.3 billion in 1996 to $2.6 billion in 2005. Defined as antiques are artworks more than one hundred years old. It should be noted that developed economies had 93 per cent of the global market for antiques in 2005. Photography is another creative industry that has been expanding, with exports doubling from $725 million in 1996 to $1.5 billion in 2005. In this area, developing economies have been more involved in world trade; their share in world markets increased from 28 per cent in 1996 to 34 per cent in 2005. Last but not least is painting. International sales of paintings also experienced a noticeable dynamism, increasing in value from $410 million in 1996 to $955 million in 2005. In this regard, these official data are certainly underestimated since they fail to capture the informal sales of paintings that take place in flea markets for tourists in developing countries, as mentioned earlier. For detailed data on the trade flows of visual-arts products, see tables 1.3.1.A and 1.3.1.B of the annex.

Chart 5.12 **Visual arts: Exports, by economic group, 1996 and 2005**



Source: UNCTAD Database

Key players in global markets

Developed economies continued to dominate the market for visual arts but their market share decreased slightly from 76 per cent to 70 per cent during the period 1996-2005. Antiques were the main item of both their exports and imports, while in the case of paintings, developed economies were net importers of works from developing economies. The key players in the global market for arts were the United Kingdom and the United States, which together accounted for 45 per cent of international sales of artworks, as shown in table 5.16. Cities such as London and New York are irrefutable reference points in the art scene and leading hubs for artwork transactions, followed by Paris, Berlin, Geneva and Tokyo. These cities are typical examples of the spillovers of the creative economy where cultural and trade objectives are intertwined to reinvigorate socio-economic growth. Moreover, they encompass the concept of "creative cities" as elaborated in chapter 1.

For developing economies, the situation is much more nuanced. Even if figures show that their total exports of visual arts increased from $2.5 billion in 1996 to $6.4 billion in 2005, raising their market share in global markets from 24 per cent to 29 per cent, these numbers reflect only a partial reality since all of the increase took place in Asia, mainly in China. Other countries and regions of the developing world have a marginal or nearly non-existent participation in global markets for visual arts. For instance, the 50 poorest countries in the world, the LDCs, together exported only $4 million dollars in visual arts in 2005; indeed, this means a retraction from world markets as this value is half of their exports in 2000. A similar situation occurred in the SIDS (see tables 1.2.A and 1.2.B in the annex).

Among the major exporters from the South apart from China, India demonstrated the greatest dynamism: its exports of visual arts doubled during the period 2000-

Table 5.16 Visual arts: Top 10 exporters among developed economies, 2005

Rank	Developed economy	Value (in millions of $) 2005	Market share (%) 2005	Growth rate (%) 2000-2005
1	United Kingdom	5,354	24.17	11.5
2	United States	4,523	20.42	2.2
3	France	1,019	4.60	4.4
4	Germany	803	3.62	3.1
5	Switzerland	785	3.54	3.1
6	Japan	598	2.70	17.8
7	Canada	512	2.31	11.6
8	Italy	431	1.94	0.4
9	Belgium	416	1.88	-
10	Netherlands	250	1.13	7.8

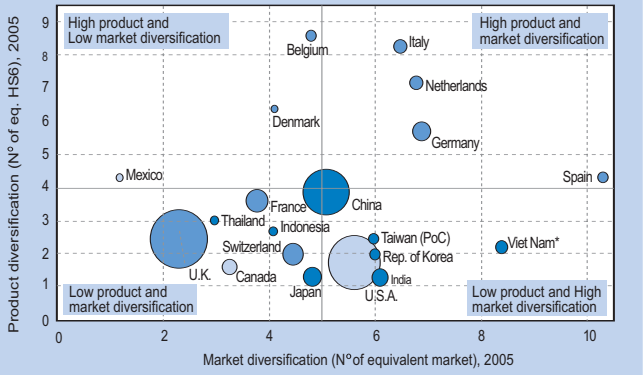
Source: UNCTAD.

Table 5.17 Visual arts: Top 10 exporters among developing economies, 2005

Rank	Developing economy	Value f.o.b. (in millions of $) 2005	Market share (%) 2005	Growth rate (%) 2000-2005
1	China	3,459	15.62	10.8
2	China, SAR of Hong Kong	839	3.79	-7.5
3	India	503	2.27	107.4
4	Republic of Korea	262	1.18	18.2
5	Mexico	198	0.89	-8.7
6	Thailand	189	0.85	2.0
7	Indonesia	182	0.82	1.1
8	Taiwan Province of China	180	0.81	0.5
9	Ghana	109	0.49	767.0
10	Philippines	107	0.48	-

Source: UNCTAD.

Chart 5.13 Visual arts: Market and product diversification worldwide



Source: ITC CountryMap.
The size of the bubble is proportional to total country exports in 2005.

2005, as shown in table 5.17. Improvements in export performance also were achieved in the Republic of Korea, Thailand, Malaysia, Philippines, Singapore and Ghana; the latter was not among the major exporters of visual arts in 1996 but appeared on the list in 2005. Mexico has lost export competitiveness in recent years. Chart 5.13 gives an idea of the market strategy adopted by the major players as regards the degree of diversification or concentration of their products and target markets.

5.6.4 | Audiovisuals

Features

A common feature of the creative industries is the absence of clear definitions. Audiovisuals do not constitute an exception. Audiovisuals include motion picture, television, radio and other forms of broadcasting. With the introduction of new ITC tools and the emergence of the new media and connectivity, the definition became more problematic because the cultural and creative contents are mixed together and it is difficult to affirm that a digitalized cartoon film is part of new media or an audiovisual product. In any case, audiovisuals is one of the most complex, politically sensitive and underestimated subgroups among the creative industries and one of the engines of the creative economy.

Data for audiovisuals are scarce and do not show the real contribution of the subgroup to global trade and the world economy. Regulatory regimes, market structure, specificities of each audiovisual product, diversity of business operations, different forms of marketing and distribution, and market access are among the issues to be examined for a comprehensive analysis of market trends in audiovisuals.[23] This goes beyond our purpose in this study, which is to take stock of the current situation and propose possible action to improve the global picture.

Nevertheless, the figures shown in this Report indicate some trends that are useful for the formulation of both cultural and international trade policy. It is hoped that the limitations in data for audiovisuals will point towards the need to improve the quality and coverage of statistics on trade in services for the sake of market transparency since they are an essential tool for policy formulation.

[23]For a comprehensive analysis, see *Trends in Audiovisual Markets: Regional Perspectives from the South* (UNESCO Document CI/COM/2006/PUB/10), UNESCO, Paris, 2006.

Film industry

Globally, the value of the film industry is estimated at around $75 billion,[24] of which $55 billion are accounted for by the production and sale of DVDs. This means that more films are seen in the world but fewer people go to cinemas. Revenue for the film industry derives from box-office sales domestically and abroad, music rights, television and satellite rights, video and Internet rights, merchandising, CD and DVD rentals plus copyrights for reproduction. Therefore, intellectual property right (IPR) issues are crucial for the earnings of the film industry but data are not available. The making, distribution and exhibition of films continue to be dominated largely by a small number of big, vertically integrated groups, inhibiting the expansion of the film industry in developing economies and their presence in the global market. Worldwide, 85 per cent of all films exhibited are Hollywood productions, while many developing economies have never produced one single commercial movie. Many countries are trying to put in place legislation and incentives to stimulate national production but they claim the need for policy space in order to be able to act under the scope of the WTO rules.[25]

India is the world's largest film producer, making about 1,000 commercial films annually but these are mostly for the domestic market. Even if more Indian films have been exported recently, targeting mainly its diasporas, there is a problem of distribution. Elsewhere in Asia, the expansion of the film industry in China is taking place simultaneously with the decline of the industry in Japan, one of the largest markets for films but one that has turned into a market highly dependent on the rental of videos. Films from the Republic of Korea are increasingly appreciated in world markets but face market access constraints under the WTO agreements.

Creative ideas are reviving the film industry in Latin America, particularly in Argentina, Brazil and Colombia. Progress in regional integration through MERCOSUR is facilitating better articulation of cultural policies in the region, with a positive effect on the film industry. A shift towards more independent productions and distribution schemes is part of the efforts to consolidate cultural, social and economic integration in Latin America.[26] A new trend is the choice of landscapes, particularly in the Caribbean, for shooting American and European movies. A priori, this has a positive impact since it creates jobs, injects foreign currency and helps to revitalize the local economy. In the long run, however, this may inhibit local creation by national independent film-makers, who generally have little access to financing and modern infrastructure and therefore are unable to compete.

Real life in Africa and the struggle of Africa to preserve its roots, identities and languages are all captured well by the relatively small but qualitatively rich iconography of African films. The emergence and rise of the Nigerian video-based film industry, the so-called Nollywood, is a creative response to satisfy the cultural needs of modern African society (see box 9.4 in chapter 9). Nonetheless, developing countries are lagging behind in the film industry, since on average, they produce 1.2 films per million inhabitants compared with 6.3 films in developed countries.[27]

Television and radio

Television and radio broadcasting are the most popular among the creative industries. Both are in a phase of technological shifts from the analogue to the digital system and from terrestrial to satellite and cable stations. This is taking place simultaneously on a global scale, including in the LDCs. Furthermore, many countries under WTO obligations liberalized their telecommunication industry in the 1990s, opening their doors to fierce competition, thereby affecting the production of local creative products. Penetration of cable television throughout the developing world is a fact, bringing with it both challenges and opportunities. On the positive side, it expands the choice of consumers, facilitating access to world news and stimulating some local business initiatives. Conversely, it reduces the space for cultural diversity owing to the massive invasion of foreign packages showing the realities of completely different societies. This may have an adverse impact on education and cultural life. The shift towards digital radio poses a similar problem, raising controversies. The key issue is more cultural and economic than technological.

Most developing countries are net importers of television creative content. There are, however, some success stories, such as Televisa in Mexico and TV Globo in Brazil that are major exporters of television programmes – mainly soap operas (telenovelas) – to world markets (see box 9.1 in

[24]See International Flows of Selected Cultural Goods and Services, 1994-2003, UNESCO Institute for Statistics, Montreal, 2005.
[25]Chapter 9 addresses issues relating to WTO multilateral negotiations.
[26]The cinema industry in the world", A. Maleiros, Sao Paulo, 2007.
[27]For a better understanding of audiovisual markets, see *Trends in Audiovisual Markets: Regional Perspectives from the South* (UNESCO Document CI/COM/2006/PUB/10), UNESCO, Paris, 2006.

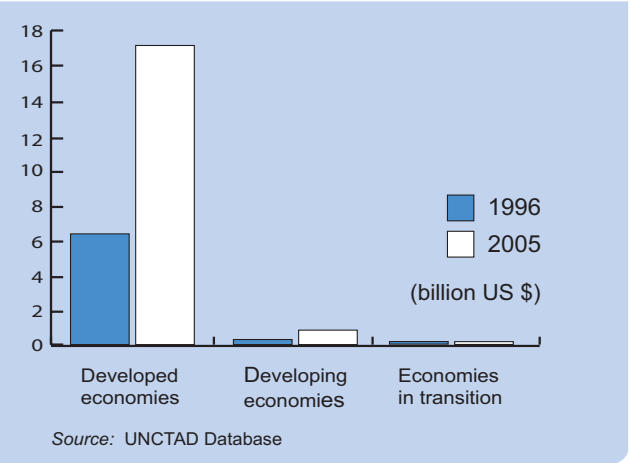
chapter 9). Copyrights, trademarks, advertising, subscriptions, sponsorships and viewer licences are the sources of income for television and radio. Today, it is not possible to capture the size of this market through official statistics for the reasons explained earlier and particularly since official data for radio and television services are not reported. Nevertheless, annual global television revenues were roughly estimated at around $195 billion in 2000.[28]

International trade

International trade in audiovisuals tripled during the period 1996-2005. Exports of audiovisual products (goods and services) increased from $6.7 billion to $18.2 billion, growing on average by 10.5 per cent over ten years. However, the share of audiovisuals in total exports of creative-industry products remained practically unchanged at about 4 per cent in 2005. The bulk of global trade in audiovisuals was in services, which amounted to $17.5 billion in 2005 while audiovisual goods totalled only $664 million.

Developed economies dominated the market for audiovisuals, retaining nearly 90 per cent of world exports for this subgroup. The United States was the leading exporting country; in 2005, its exports of audiovisual services exceeded $7 billion. The United Kingdom, France and Canada were the other major players. Hungary emerged as the fifth major exporter of audiovisual services in 2005. On the other hand, developing economies lost market shares in audiovisual exports during the period 2000-2005. Total exports of audiovisual services from developing economies amounted to only $877 million in 2005. Mexico was the main exporter of audiovisual services, followed by Argentina, China and the Republic of Korea. The Russian Federation was the largest exporter of these services from the economies in transition (see tables 2.4.A and 2.4.B in the annex).

Chart 5.14 Audiovisuals: Exports, by economic group, 1996 and 2005



Source: UNCTAD Database

This overall trend is indicative of the world market situation for audiovisuals even if the magnitude of the reported data (amounting to $18.2 billion) does not reflect the real size of the global market. Audiovisuals constitute a large and dynamic subgroup that will remain as one of the pillars of the creative economy.

A similar situation occurred for audiovisual goods. The level of exports nearly doubled, reaching $664 million in 2005 compared to $355 million in 1996, with a growth rate of 7.6 per cent over the period 1996-2005. Moreover, in the last five years of this period, the growth of exports was even more accentuated, with the level in 2005 14.4 per cent higher than in 2000. Developed countries had 89 per cent of world market share of audiovisual goods against 8 per cent for developing countries and 2 per cent for the economies in transition. Exports from developed countries amounted to $592 million in 2005, while those from developing countries dropped by nearly 8 per cent (see table 1.4.1.A for exports and table 1.4.1.B for imports, both in the annex).

Key players in the global market

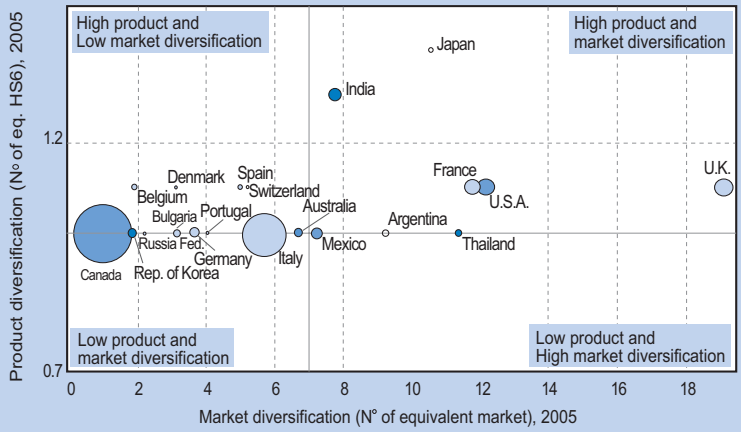
For the reasons mentioned earlier, it is not helpful to present the list of the key players in the world market for audiovisuals since it would give an erroneous picture of the global market. The figures reported are few and relatively low even from countries with advanced statistical data-collection systems. For details, see in particular tables 2.4.A and 2.4.B for audiovisual services as well as the tables for creative goods provided in the annex.

In terms of audiovisual goods, India, Mexico, the Republic of Korea, Thailand and Argentina are the main exporters from the South. Concerning market diversification, India has diversified both its products and the target markets, the same strategy adopted by Mexico, Argentina and Thailand, while the Republic of Korea aims at diversification of markets and Singapore is the most diversified in terms of export products.

Against this picture, clouded by the very limited participation of developing countries in a buoyant market such as the global market for audiovisuals, chart 5.15, with its

[28] See J. Howkins, *The Creative Economy: How People make Money from Ideas*, London, 2001.

Chart 5.15 Audiovisuals: Market and product diversification worldwide



Source: ITC CountryMap.
The size of the bubble is proportional to total country exports in 2005.

focus on the index of market diversification, can shed light on brighter prospects in the future (see also table 1.4.3.A of the annex for a listing of the 10 main exports from developing countries).

5.6.5 | Publishing and printed media

Features

The intellectual assets and the creativity driving the publishing and printed media are broadly expressed in the form of literary production translated into all kinds of books (novels, poetry, educational, professional, etc.) and the printed media translated into all kinds of news circulated as newspapers, magazines, etc. Publishing and printed media still constitutes an important subgroup of the creative industries from both the cultural and the economic point of view. Technologically, however, the publishing and media industries are facing new challenges due to the growing trend towards electronic publishing.

Nevertheless, the upward trend of the trade figures is evidence that electronic and printed media can coexist. Retail book shops are becoming more attractive to readers at the same time that they are better equipped for online sales. Most important is the fact that the annual number of new book titles apparently is not decreasing. The newspaper industry is reacting in its own way in different parts of the world to the shifts in the printed media industry brought about by new ICTs. In Europe, where coverage of news is more global than local and affordable Internet broadband has the world's greatest penetration,[29] the circulation of printed newspapers is declining. In developing economies, however, as news is more locally focused and Internet access is more costly, the circulation of printed daily newspapers does not appear to be so affected by electronic publishing. Another important aspect is that printed media are nourished by advertising revenues and these two creative industries are interdependent and mutually supportive. It is important to remember that the publishing and printed media industries are responsible for many jobs, including those of very influential writers, editors and journalists willing to influence public opinion and adapt to this changing situation.

In this scenario, the analysis presented in this Report is based on physical goods only. E-commerce or trade of digitalized creative content such as books, journals and newspapers is not captured in the figures shown owing to the unavailability of data.

International trade

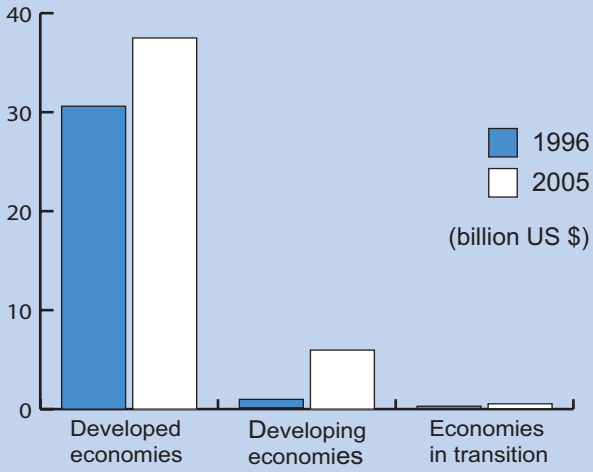
The global market for internationally traded goods from the publishing and printed media industries amounted to $44.3 billion in 2005 as compared to $32.1 billion in 1996. These creative industries had an annual growth rate of 6.3 per cent during the period 1996-2005 and accounted for 10 per cent of total trade of all creative goods in 2005. The most traded subsector was "other printed materials", for which exports nearly doubled from $8.7 billion in 1996 to $16.1 billion in 2005. In this subsector are catalogues, brochures, advertising material, posters, calendars, maps, greeting cards, etc.

Global sales of printed newspapers had a growth rate of 3 per cent in the period 2000-2005, with total exports amounting to $15.3 billion in 2005 despite the emergence of the new media and the fact that nowadays almost everywhere in the world, the newspaper industry has a website. A similar trend has been observed regarding books. World trade of books in 2005 totalled $12.8 billion, which was 30 per cent higher than the level in 2000 (see tables 1.3.1.A for exports and 1.3.1.B for imports in the annex).

Developed economies dominated the world market for

[29] See *Information Economy Report 2006: The Development Perspective* (document UNCTAD|SDTE| ECB| 2006|1; sales no. E.06.II.D.8), UNCTAD, Geneva, 2006.

Chart 5.16 Publishing and printed media: Exports, by economic group, 1996 and 2005



Source: UNCTAD Database

Table 5.18 Publishing and printed media: Top 10 exporters among developed economies, 2005

Rank	Developed economy	Value (in millions of $) 2005	Market share (%) 2005	Growth rate (%) 2000-2005
1	Canada	5,965	13.46	0.5
2	Germany	5,894	13.30	12.2
3	United States	5,496	12.40	1.6
4	United Kingdom	4,134	9.33	9.5
5	France	2,490	5.62	6.2
6	Italy	1,676	3.78	6.4
7	Belgium	1,552	3.50	-
8	Spain	1,327	2.99	5.0
9	Sweden	1,225	2.77	3.2
10	Netherlands	1,205	2.72	10.7

Source: UNCTAD.

Table 5.19 Publishing materials: Top 10 exporters among developing economies, 2005

Rank	Developing economy	Value (in millions of $) 2005	Market share (%) 2005	Growth rate (%) 2000-2005
1	China, SAR of Hong Kong	1,552	3.50	9.0
2	China	1,146	2.59	22.2
3	Singapore	932	2.10	9.0
4	Republic of Korea	487	1.10	7.6
5	Mexico	417	0.94	3.3
6	Namibia	216	0.49	12.0
7	Malaysia	190	0.43	8.8
8	Indonesia	175	0.40	-3.6
9	Chile	172	0.39	-3.6
10	Colombia	169	0.38	4.9

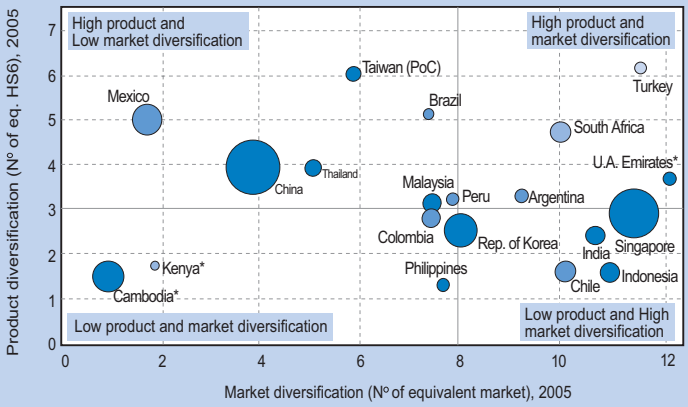
Source: UNCTAD.

publishing and printed media exports, accounting for 83 per cent of world exports in 2005. European exports rose to $24.2 billion in this year. Among the top ten exporters, 8 out of 10 were European countries. Canada and Germany were the top two exporters, with nearly $6 billion in annual exports of publishing and printed media materials; both countries had a 13-per cent share of the world market for exports of creative goods. They were followed by the United States, the United Kingdom and France. In terms of market strategies, Germany was the country that had most diversified its exports in terms of products and markets, while Canada was the opposite, concentrating on a few products and a few markets. Europe in general was more diversified than Asia and America (see table 5.18 and chart 5.17).

Developing countries, despite their slight participation in world markets, showed great dynamism during the period 1996-2005. Over the decade, their exports quintupled from $1.7 billion to $6.6 billion. As a result, their share in global markets reached nearly 15 per cent owing mainly to the rise in exports from China. Books were the main product gaining an important market share over the period, increasing from 10 per cent in 1996 to 23 per cent in 2005. Similar positive trends were observed for other printed materials as well as for newspapers. Economies in transition exported $1.14 billion and imported $1.3 billion in publishing materials and printed media in 2005, of which about 5 per cent were newspapers. Table 5.19 shows the 10 leading exporters among developing economies.

The rapid expansion of this creative industry in China over the period 1996-2005 was remarkable. With an annual growth rate of 19.5 per cent, Chinese exports of publishing material and printed media sharply increased from $197 million in 1996 to $1.1 billion in 2005 although trade data cannot distinguish creative products that are "made" from those that are"created" in China. Positive developments also took place in most developing countries. Asia and Latin America had a presence in world markets. China exports were more targeted than those of the Republic of Korea, Singapore and the Russian Federation. For trade flows, see tables 1.2.A, 1.2.B and 1.4.3 in the annex.

Chart 5.17 **Publishing and printed media: Market and product diversification of developing economies**



Source: ITC CountryMap.
The size of the bubble is proportional to total country exports in 2005.

5.6.6 | Design

Features

Design deals with the creation of forms and the appearance of products. Creative design is expressed in several ways: through the creation of decorative luxury items such as jewellery, by the uniqueness of a functional service such as the architectural design of a building, or as utilitarian mass-produced goods such as an interior object. Design products are usually aesthetic functional creations based on concepts and specifications. Again, the definition of design enters into the debate of IPRs. For many, design is an input into all manufacturing processes and cannot be separated from any final physical product. For others, such as the Industrial Design Society of America, the definition of "design" is "the creation and development of concepts and specifications that optimize the functions, value and appearance of products and systems for the mutual benefit of users and manufacturers".[30]

Without arguing the merits of different approaches, design fits into the "functional creations" category of the UNCTAD definition of "creative industries". It is the result of human creativity expressed as a knowledge-based economic activity, with creative content, cultural value and market objectives. As such, the design industry is part of the creative economy given that it cuts across the artisan, manufacturing and services components of the value chain, interacting with technology and qualifying for IPRs (see chapter 1). As an artistic work, design is associated with copyrights and specifically with "design rights" although the delimitation between the artistic expression and the industrial manufacturing is not evident. Certainly, without design, most goods and services would not exist or would fail to be differentiated in the market place.

Current statistical classifications[31] do not allow a clear identification of those functional products with higher creative content in the design value-added chain. Therefore, in carrying out the statistical analyses, an effort was made to select those products with a presumably high design input. At this stage, it is not possible to isolate the design input from the final product. Thus, the export figures reflect the total value of the final products, not the design content. To a certain extent, this explains the predominance of high figures under the design subgroup of creative industries.

Design products include goods and services. The analysis contained in this Report is based on trade data for interior objects, graphic design, jewellery, toys and fashion, as indicated in table 5.1 presented earlier.[32] Industrial design is not covered and architectural services are treated under "functional creative services". Most of the items included under "fashion" are accessories; clothing and footwear are not included owing to the impossibility of differentiating design creations from mass-production goods, as explained earlier. Furthermore, as for all creative industries, the lack of data for copyrights, trademarks, brands, etc., makes it difficult to assess the overall economic impact of each subgroup of creative industries on national economies.

Fashion is a creative industry deserving special attention, given its characteristics and the great potential of the fashion industry for trade. The global fashion industry is expanding; it goes beyond the "haute couture", which is distinct from the prêt-à-porter (ready to wear) and the trendy design wear. Nowadays, the fashion industry covers a wide range of fashionable products, including perfume, jewellery and accessories such as scarves, purses and belts. A unique, handmade fashion creation is distinct from industrial-scale production. Therefore, fashion design products should be protected by copyrights or trademarks before entering into highly competitive domestic or international markets. Indeed,

[30] For further information, consult the websites of the Industrial Designers Association of America, the American Institute of Graphic Arts and the Design Council, London.
[31] The international statistical classification used for the trade data presented in this Report is the *Harmonized System 1996*. For further explanation, see the explanatory notes in the annex.
[32] The explanatory notes in the annex provide more detail about the list of the selected items.

it is the brand or label attesting to the creative content and novelty of products that ensures value added and higher revenues for the stylists. These and other intricacies of the global fashion industry need to be better understood in order for the fashion industry to be enhanced in developing countries.[33]

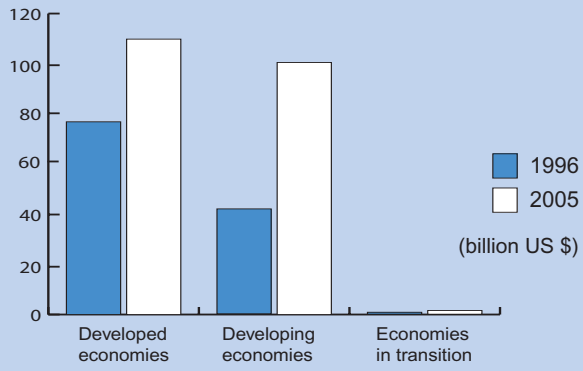
Today, the originality of ethnic textiles combined with the eccentricity and diversity of works by fashion designers from developing countries are conquering world markets. The organization of Fashion Weeks in all developing regions such as in Brazil, China, India, Jamaica and South Africa are contributing to the promotion of the work of their fashion creators and stylists and the circulation of models from the South towards the rest of the world. In this respect, developing economies are called upon to better explore trade opportunities in world markets in light of the new scenario of liberalized markets for textiles and clothing post-Multi-Fibre Agreement.[34]

The aim of this Report is to sensitize policy-makers to the positive economic and social spillovers of these usually neglected creative industries. For fashion, in the absence of data for marketing and brands and owing to the difficulty in distinguishing between a fashion creation and the more popular mass-production manufacturing from the clothing and footwear industries, only trade data for accessories are included in the fashion subsector. The trade figures presented for the design industry, including fashion, have deficiencies and should be seen as results of preliminary work that should be pursued and improved.

International trade

This first assessment of global trade in design goods has shown impressive results. Design was found to be the leading subgroup in the world market for creative goods. The global market for these goods reached $218.1 billion in 2005, accounting for nearly half of total world exports of creative goods.[35] The inclusion of design as a creative industry has completely changed the position of key players in the world market for creative goods and services.[36] China and Italy became leading exporters of creative-industry products thanks to their competitive position in the production and trade of design goods and services.

Chart 5.18 Design: Exports, by economic group, 1996 and 2005



Source: UNCTAD Database

Table 5.20 Design: Exports, by economic group and region, 2000 and 2005

Economic group and region	Value (in millions of $) 2000	2005	Growth rate (%) 2000-2005
World	**146,725**	**218,173**	**9.1**
Developed economies	**77,925**	**112,595**	**8.3**
Europe	62,175	92,.879	9.8
United States	8,915	11,224	5.1
Japan	2,518	3,678	9.2
Canada	3,509	3,692	1.0
Developing economies	**67,613**	**102,413**	**9.6**
Eastern, Southern and Southeastern Asia	60,546	90,614	9.9
China	22,440	47,078	21.9
Western Asia	2,039	4,674	25.8
Latin America and Caribbean	4,531	6,280	7.7
Africa	485	826	14.0
LDCs	97	94	-0.5
SIDS	78	88	2.4
Economies in transition	**546**	**1,735**	**24.1**

Source: UNCTAD.

World exports of design goods nearly doubled from $119.7 billion to $218.2 billion from 1996 to 2005, with an annual growth rate of 6.3 per cent during the period. The share of design products in total exports of creative goods remained stable at about 50 per cent. As shown in table 1.3.1.A of the annex, when ranking the share of exports by design items in 2005, interior products were first with nearly 20 per cent, followed by fashion items (18 per cent), jewellery (11 per cent) and toys (9 per cent).

[33] A comprehensive analysis of the fashion industry in the Caribbean is presented in the study, *The Cultural Industries in CARICOM: Trade and Development Challenges*, prepared by K. Nurse, lead consultant, for the Caribbean Regional Negotiating Machinery, November 2006.

[34] International trade of fashion goods and services is ruled by multilateral and regional agreements. Issues relating to the removal of trade obstacles such as rules of origin, preferential treatment, safeguards and import quotas are negotiated in WTO and are crucial instruments for access of products from developing countries to world markets.

[35] This also reflects the fact that design is the best statistically reported subgroup among the creative industries.

[36] The UNESCO report, *International Flows of Selected Cultural Goods and Services 1994-2003: Defining and Capturing the Flows of Global Cultural Trade*, ranks the United Kingdom, the United States and China as the biggest exporting countries on the basis of data for 2002 for cultural goods.

Design is the largest contributor to trade of creative industries probably also because it is the sector for which statistics are the best reported. It encompasses six main groups of items. Among the goods are: interior design, graphics, fashion accessories, jewellery and toys. For services, the main item is architectural services, which will be featured under "creative services".

Key players in global markets

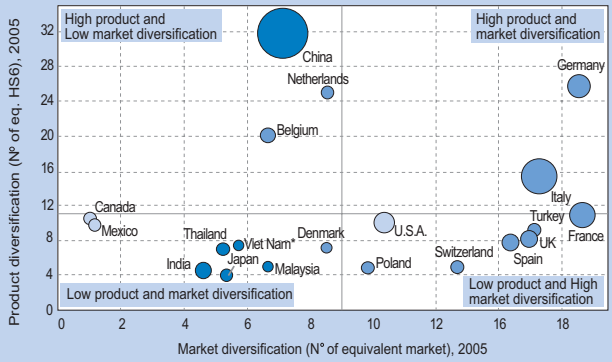
During the decade under review, exports of design products from developed economies and their share in world markets indicated contrasting trends. While the value of exports of design products increased from $76.7 billion to $112.6 billion, the market penetration of their products decreased from 64 per cent in 1996 to 52 per cent in 2005 (see table 1.3.2.A in the annex). Italy maintained its position as leading exporter, with 11 per cent of world market share thanks to its renowned role in the field of interior design and fashion as well as in architectural services. France, Germany and the United States followed, with all three economies having more or less the same level of participation in world markets. Although the Netherlands, Germany and Switzerland had lower levels of exports, these economies experienced the fastest growth in their design industries – around 12 per cent during the years from 2000 to 2005. In terms of diversification, European Union countries and the United States were the most diversified in terms of target markets for design products (see chart 5.19).

Design is the second largest creative subgroup for developing countries after arts and crafts. The total value of their exports of design products increased considerably from $43 billion to $102 billion as did their share in world markets, reaching 47 per cent in 2005. In 2005, the design items with the greatest market penetration were toys (64 per cent), fashion (50 per cent) and jewellery (46 per cent). Exports of interior objects rose sharply from 19 per cent in 1996 to 40 per cent in 2005; exports of glassware in particular doubled from 14 per cent in 1996 to 28.8 per cent in 2005. Graphic design and decoration products gained considerable market share in ten years, increasing from 10 per cent in 1996 to 30 per cent in 2005. Exports of design goods from the economies in transition totalled $1.7 billion, representing less than 1 per cent of world exports of creative goods in 2005.

A picture of the leading exporters of design goods among developing economies highlights China. The scale of production and the level of exports of design goods from China are very high. From the trade perspective, design is the most important creative industry for China. In 2005, its exports of design goods amounted to $47 billion or $68.9 billion when the exports from Hong Kong SAR are included. This means that China accounts for more than 30 per cent of total world exports of design goods. The most competitive products for China in the design subgroup in terms of value of exports and market share are fashion, interior products, toys and jewellery (see table 5.22 and table 1.4.1A and 1.4.3.A in the annex).

India also increased the level of its exports of design products by 22 per cent and had 3 per cent of market share of design goods in 2005. Conversely, the Republic of Korea lost market share and Brazil, which had not been on the list of the top ten exporters in 1996, moved up to ninth position

Chart 5.19 Design: Market and product diversification worldwide



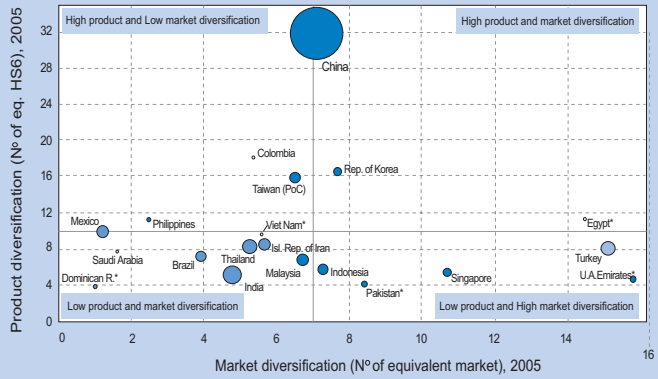
Source: ITC CountryMap.
The size of the bubble is proportional to total country exports in 2005.

Table 5.21 Design: Top 10 exporters among developed economies, 2005

Developed economy	Value (in millions of $) 2005	Market share (%) 2005	Growth rate (%) 2000-2005
Italy	24,801	11.37	5.8
France	12,864	5.90	9.4
Germany	12,838	5.88	12.4
United States	11,224	5.14	4.4
Spain	6,747	3.09	9.1
United Kingdom	6,632	3.04	8.5
Switzerland	4,191	2.52	12.1
Canada	3,692	1.92	1.5
Japan	3,678	1.69	5.8
Netherlands	3,585	1.69	12.6

Source: UNCTAD.

Chart 5.20 **Design: Market and product diversification of developing economies**



Source: ITC Country Map.
The size of the bubble is proportional to total country exports in 2005.

Table 5.22 **Design: Top 10 exporters among developing economies, 2005**

Developing economy	Value (in millions of US$) 2005	Market share (%) 2005	Growth rate (%) 2000-2005
China	47,078	21.5	17.1
China, SAR of Hong Kong	21,817	10.0	0.9
India	6,192	2.8	22.8
Turkey	4,036	1.8	19.5
Thailand	3,673	1.6	4.8
Mexico	3,109	1.4	1.5
Malaysia	2,640	1.2	7.1
Indonesia	2,075	0.9	0.8
Brazil	1,939	0.9	17.9
Republic of Korea	1,718	0.8	-7.2

Source: UNCTAD.

in 2005. As shown in chart 5.20 on market and product diversification of design products for developing economies, China not only was the top exporter but also demonstrated a high degree of diversification in terms of products and markets, followed by the Republic of Korea and Egypt. Conversely, India, the Dominican Republic and Brazil were not very diversified in terms of products and markets.

5.6.7 | New media

Features

New media is the newest subgroup among the creative industries. It emerged as a result of rapid advances in ICTs that started in the 1990s with the purpose of promoting the construction of a global information infrastructure as the basis of the overall globalization process, giving rise to the so-called "Information Society".[37]

In the dynamics of the creative economy, the subgroup new media plays two roles:

(a) It is a creative product itself, expressed as a digitalized form of creative content such as software, cartoons and interactive products such as video games.

(b) It is an enabler of connectivity used as a tool for marketing and distribution of other creative products such as music, films, books and news, or creative services such as advertising and architectural services (see chapter 7).

At present, it is not yet possible to capture the real dynamism of new media as a driving force of the creative economy. There are two reasons for this: first, the novelty embedded in the constant updating of technologies used for the production and consumption of creative content; and second, the lack of a universally agreed system of data collection of digitalized creative content. In this regard, it should be recalled that issues relating to measurement of ICT tools, in particular how to collect accurate, useful and comparable ICT statistics, are addressed in chapter 7 of this Report.[38]

Again, figures presented for new media are extremely underestimated for the reasons explained earlier. Nevertheless, they contribute to a better understanding of current trends. In the UNCTAD classification of creative industries, new media includes a wide range of creative digitalized content such as software, video games, cartoons and other digital products. The figures shown are clearly evidence of shortcomings in the level of disaggregation of statistical classification codes since they cover only digital records and video games. Furthermore, the subgroup comprises several relatively new creative services, such as Web-related services, for which data are non-existent (see also the general explanatory notes in the annex).

As an enabler, the subgroup new media is the real expression of connectivity and as such is highly dependent on the accessibility of ICT digital equipment such as computers, mobile telephones, digital televisions and MP3s,

[37] For an in-depth analysis, see *Knowledge Societies: Information Technology for Sustainable Development*, R. Mansell and U. Wehn (eds.), published by Oxford University Press for the United Nations Commission on Science and Technology for Development, 1998 (ISBN 0-19-829410-7).

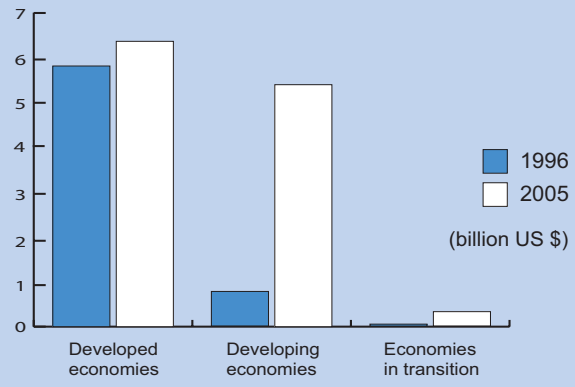
[38] UNCTAD is a member of the Partnership on Measuring ICT for Development together with ten other international institutions. The key objective of the work of this group is to close the ICT data gap by collecting data and maintaining a database on the ICT sector and on business uses of ICTs. For further information, see: http://measuring-ict.unctad.org.

as discussed in chapter 7. The third part of the annex presents additional quantitative data on trade in related industries. Tables 3.1, 3.2 and 3.3 were prepared with the aim of providing empirical evidence of the magnitude of world trade of supporting equipment.

International trade

The global market for new-media goods grew very fast during the period 1996-2005; the annual growth rate was 6.5 per cent. World exports nearly doubled from $6.8 billion in 1996 to $12.0 billion in 2005, with the upward trend starting with the year 2000, when exports of new-media goods increased by 10 per cent. The share of this subgroup in total exports of creative goods remained stable at around 3.5 per cent. Video games were a very dynamic subsector, for which exports more than doubled from $4.2 billion in 1996 to $9.7 billion in 2005, while exports of digital recordings decreased slightly to $2 billion in 2005. For details on exports by countries, see tables 1.2.A and 1.2.B in the annex.

Chart 5.21 New media: Exports, by economic group, 1996 and 2005



Source: UNCTAD Database

Table 5.23 New media: Exports, by economic group and region, 2000 and 2005

Economic group and region	Value (in millions of $) 2000	2005	Growth rate (%) 2000-2005
World	**6,936**	**12,035**	**10.0**
Developed economies	**5,562**	**6,471**	**0.5**
Europe	2,724	3,961	9.0
United States	1,344	1,805	6.8
Japan	1,288	235	-16.3
Canada	96	171	15.6
Developing economies	**1,371**	**5,508**	**33.5**
Eastern, Southern and Southeastern Asia	1305	5,413	62.9
China	343	3,940	209.4
Western Asia	2	10	85.2
America	59	77	6.1
Africa	5	8	15.1
Economies in transition	**2**	**55**	**94.8**

Source: UNCTAD.

Key players in global markets

Developed economies led exports of new-media goods over the period 1996-2005. Their exports increased slightly, amounting to $6.5 billion in 2005, but their share in world markets for these goods declined sharply from 87 per cent to 54 per cent during the ten-year period. While their exports of digital recordings remained relatively unchanged, they faced growing competition from developing economies as regards video games. Europe supplied a third of global market demand and its exports were more diversified in terms of target markets. The major exporter, however, was the United States, whose exports were more diversified in terms of products than markets. In Europe, the countries with greater participation in the global markets for new-media products were Ireland, Germany and the United Kingdom, as shown in table 1.4.2 in the annex and table 5.24 below.

Table 5.24 New media: Top 10 exporters among developed economies, 2005

Rank	Developed economy	Value (in millions of $) 2005	Market share (%) 2005	Growth rate (%) 2000-2005
1	United States	1,805	15.00	4.8
2	Ireland	698	5.80	3.8
3	Germany	691	5.74	32.5
4	United Kingdom	600	4.98	4.6
5	Austria	579	4.81	27.1
6	Netherlands	330	2.74	15.5
7	Australia	290	2.41	29.4
8	Japan	235	1.95	30.4
9	Spain	190	1.58	7.8
10	Belgium	177	1.47	-

Source: UNCTAD.

In developing economies, there were contrasting trends in exports of new-media goods. Asia had a strong, dominant position in the global market for these goods. Total exports from developing economies in 2005 reached $5.5 billion, which was six times higher than in 1996. This resulted in a substantial increase in their share in world markets – from 13 per cent to 46 per cent. In the case of video games, the upturn was even more accentuated: from 16 per cent in 1996 to 54 per cent in 2005. This development reflected the remarkable increase in the exports of China: if all Chinese regions are considered, its exports of new media

reached $5 billion in 2005, or about 40 per cent of global demand. Video games constituted the most important exported and imported item in Asia.

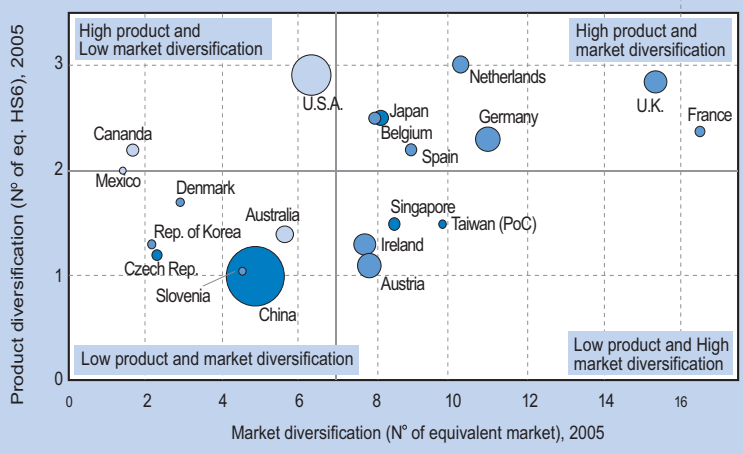
Apart from Asian developing economies, only Mexico and Turkey are on the list of top ten exporters. Other Latin American economies were very marginal exporters. Africa, the LDCs and the SIDS were not active participants in world markets. Economies in transition had a very small participation in world trade, accounting for less than 1 per cent of total exports of new-media goods. It should be pointed out, however, that this dark picture is probably further aggravated by the lack of data from these developing regions.

Table 5.25 New media: Top 10 exporters among developing economies, 2005

Rank	Developing economy	Value (in millions of $) 2005	Market share (%) 2005	Growth rate (%) 2000-2005
1	China	3,940	32.74	59.7
2	China, SAR of Hong Kong	1,020	8.47	44.2
3	Singapore	193	1.60	38.8
4	Republic of Korea	100	0.83	6.3
5	Taiwan Province of China	77	0.64	0.7
6	Mexico	65	0.54	-16.8
7	India	46	0.38	-34.4
8	Thailand	15	0.12	53.6
9	Turkey	9	0.08	40.2
10	Malaysia	8	0.06	-8.8

Source: UNCTAD.

Chart 5.22 New media: Market and product diversification worldwide



Source: ITC Country Map.
The size of the bubble is proportional to total country exports in 2005.

5.6.8 | Creative services

Features

Services are a key component in the dynamics of the creative economy. For the creative industries, services play a growing role in all its subgroups. Moreover, the world economy has become much more services-oriented in recent years. Since 1990, world trade in services has nearly tripled, reaching $2.4 trillion in 2005.[39] The implications of liberalization of trade in services for poverty alleviation, welfare and the overall development prospects of developing countries remain at the heart of multilateral debates.[40]

At present, however, the available data for trade in services do not provide the detail necessary to reach conclusive results about the real impact of service outputs on trade in creative industries and its implications for the creative economy. The principal categories of services cover many aspects of the creative industries that cannot be extracted separately. Nevertheless, despite the limitations, a picture of world trade in services related to the creative industries is presented for the first time. It is hoped that this will pave the way for more in-depth work by the United Nations Multi-Agency Group on Creative Industries in collaboration with other international institutions such as the Statistical Office of the European Communities (EUROSTAT) and OECD. The aim is to move this work forward (see chapter 4).

In order to facilitate analysis of certain demand-driven functional creations, UNCTAD introduced into its definition of "creative industries" the subgroup of "functional creative services", which covers services that intersect with more than one subgroup; advertising is a case in point. The inclusion of creative-oriented research and development (R&D) services is another. These services fit into the broader scope of the creative economy and are closely associated with scientific creations and technological innovations. The rationale for the inclusion of these services is that the creative economy is rooted in the overall interactions between economics, culture and technology and, therefore, that the creative economy is centred on, but not restricted to, arts and culture.

[39] UNCTAD, *Trade in Services and Development Implications* (document TD/B/COM.1/85), Geneva, 2007.
[40] See UNCTAD, *Challenging Conventional Wisdom: Development Implications of Trade in Services Liberalization*, Trade, Poverty and Cross-cutting Development Issues Study Series, No. 2 (document UNCTAD/DITC/TAB/POV/2006/1), 2007.

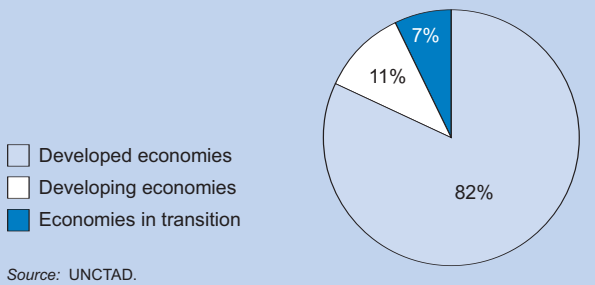
International trade

Reported exports of creative services increased sharply, with an annual growth rate of 11.2 per cent for the period from 2000 to 2005. Exports increased from $52.2 billion in 2000 to $89 billion in 2005. As trade in creative services has grown faster than the average growth rate of total services (12 per cent),[41] creative services is a new dynamic sector in world trade. For instance, advertising services had an average growth rate of 22 per cent between 2000 and 2005, followed by architectural services with 19 per cent.

Developed economies accounted for 82 per cent of total exports of creative services in 2005 while developing economies had an 11 per cent market share, and the economies in transition had 7 per cent of the world total, as shown in chart 5.23. Among all creative services, architectural as well as personal, cultural and recreational services were the most traded creative services in world markets in 2005. Both had remarkable increases in exports from about $10 billion in 1996 to about $27.5 billion in 2005 (see table 5.26).

Imports of creative services increased notably from $43.8 billion in 1996 to $85.7 billion in 2005. Imports of cultural and recreational services increased from $14.8 billion to $25.6 billion, accounting for nearly 30 per cent of total imports of these services in 2005. Architectural and design services ranked second, with imports increasing from $9.4 billion to $23.3 billion, representing 27.2 per cent of total imports of creative services. These were followed by R&D, imports of which rose from $10.2 billion to $19.7 billion, or 23 per cent of imports of creative services. Imports of advertising and market-related services increased from $9.2 billion to $16.9 billion, or 19 per cent of imports of creative services in 2005. Finally, audiovisual services experienced an increase from $9.0 billion to $16.3 billion, accounting for 19 per cent of total imports of creative services in 2005.

Chart 5.23 Creative services: Exports, by economic group, 2005



Source: UNCTAD.

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.

5.6.9 | Royalties and licence fees

As addressed in other chapters, copyrights are the most important IPR instrument for the creative industries as they provide protection for authorship of paintings, sculptures, music, novels, architecture, etc. However, official figures for copyrights are not available.[42] According to WIPO, statistical limitations and deficiencies in data collection have made it impossible to date to compile universal data on copyrights from the creative industries.

Royalty payments and licence fees are associated with the use of intellectual property for production and consumption of goods and services, for instance, licensing services for the right to use entertainment, computer software, or other non-financial intangible assets.

Despite data limitations mentioned earlier, this Report includes world figures for royalties, which are shown in table 5.27 as well as in tables 2.8.A and 2.8.B in the annex. This is complementary information provided to complete the overall picture, based on available national data on creative industries at the world level. Our intention is to emphasize the need to start collecting data on copyright earnings. Since it is not possible to disaggregate the overall royalty figures by identifying and listing only the data relevant for the creative industries, the data for

[41] See UNCTAD, *Trade in Services...*, ibid.

[42] The International Confederation of Societies of Authors and Composers (CISAC) compiles data for 210 management societies in 109 countries that are affiliated to the Confederation. Data cover only amounts raised by licensing activities of these societies in their national territories; thus income from international exchanges is not included.

royalties are, therefore, not included in the total of creative services. The purpose is to avoid any misinterpretations of overall revenues from creative services.

Another consideration in the analysis of the economic impact of creative industries is the direct relationship between the trade figures for the creative industries and trends in domestic and foreign investments in the creative sector. In this regard, the UNCTAD *World Investment Report 2006* emphasizes that creative activity-related ICT sectors were the most important destinations for FDI worldwide, including in the context of North-South and South-South trade.

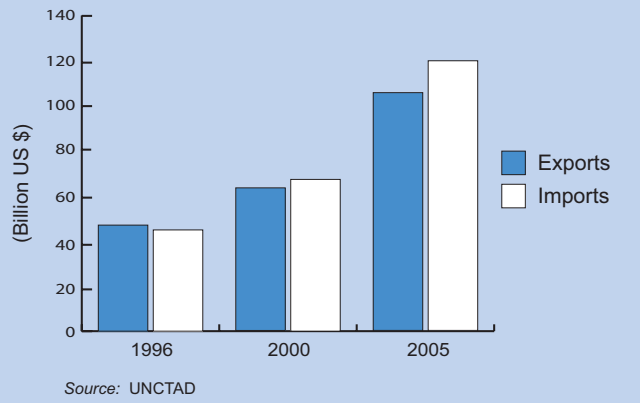
Revenues associated with receipts of intellectual property rights (IPR) more than doubled during the period from 1996 to 2005. Royalty revenues rose from $58.2 billion to $123.8 billion. A similar trend is shown for imports, which increased from $56.1 billion in 1996 to $134.5 billion in 2005 (see tables 2.8.A and 2.8.B in the annex).

Table 5.27 Royalties and licence fees: World exports and imports, 1996, 2000 and 2005

	Value (in millions of $)		
	1996	2000	2005
Exports	58,215	78,583	123,842
Imports	56,165	82,159	134,548

Source: UNCTAD.

Chart 5.24 Royalties and licence fees: World exports and imports, 1996, 2000 and 2005



Source: UNCTAD

5.6.10 | Related industries

There is no single definition of "creative industries" but there are different approaches to classifying them depending on the purpose of the analysis, as discussed in chapter 1. For WIPO,[43] for instance, the focus is on intellectual property; thus creative industries are divided into four groups relating to intellectual property: "core", "interdependent", "partial" and "non-dedicated". For UNESCO, emphasis is placed on the cultural products, which are classified as "core" or "related" cultural products. In the case of UNCTAD, the approach is more trade-oriented, and the focus is on creative goods and creative services. Therefore, the related industries are treated apart, as an additional economic indicator that is driven by the creative industries.

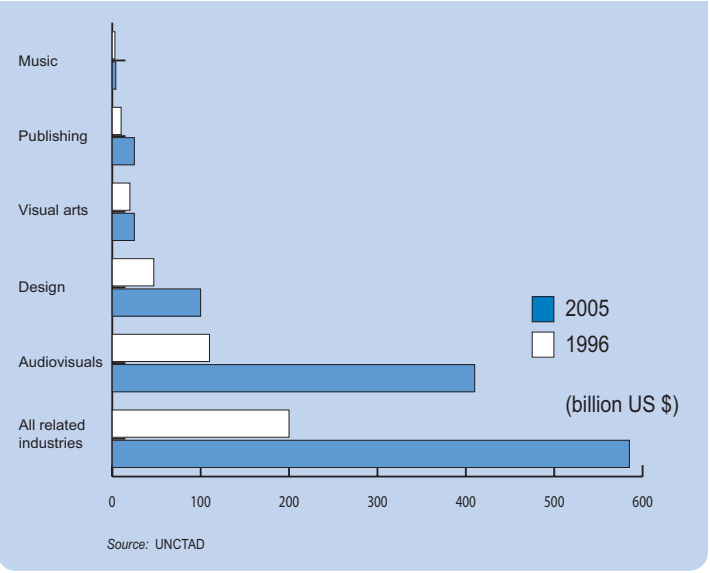
There are two types of related industries: some serve as inputs in the creation process (e.g., ink for a painting); others provide supporting equipment needed for the consumption or distribution of creative content (e.g., television sets for television broadcasting). As they are part of a much broader set of manufacturing, chemical and electronics sectors, they are not included in the totals of creative industries. Our concern is to avoid distortion and over-accounting in the trend analysis of creative goods and services.

Following the path of the world market for creative industries, trade in goods from the related industries[44] also showed a remarkable annual growth rate of 13.6 per cent in the period 2000-2005. The greatest growth was in related industries linked to the field of audiovisuals, for which exports jumped from $118.6 billion in 1996 to $418.1 billion in 2005, reflecting technological advances (see tables 3.3.1.A and 3.3.1.B in the annex).

Goods of the related industries have a huge market. World exports reached $576 billion in 2005 as compared to $209 billion in 1996 (see chart 5.25). The spectacular growth of exports from developing economies in this area – from $51 billion in 1996 to $273.9 billion in 2005 – is noteworthy. This means that developing economies shared this big market with the developed economies on almost a 50-50 basis. Moreover, the fast growth of exports from developing economies of goods of related industries was much more evenly distributed among all regions, including Africa and the Caribbean (see tables 3.1, 3.2 A and 3.2.B in the annex for the trade flows).

[43]The WIPO model of copyright-based creative industries identifies four categories: "core", "interdependent", "partial" and "non-dedicated" industries. The UNESCO approach to cultural industries includes "core cultural goods", "related cultural services" and "related cultural products".
[44]See also the general explanatory notes in the annex.

Chart 5.25 Goods of related industries: Evolution of world exports, 1996 and 2005



Source: UNCTAD

This is evidence of the catching-up strategies being pursued in a number of developing economies to increase their production and exports of value-added products. An even more positive conclusion is that the growth of the related industries, which means supporting equipment such as computers, cameras, and television and broadcasting equipment, points to a continuous dynamic growth in demand for creative-industry goods and services and therefore to the growing importance of the creative economy worldwide.

PART

4

The Role of Intellectual Property and Technology

CHAPTER 6 The role of intellectual property in the creative economy

6.1 Introduction

Any survey of the creative economy must consider the role of intellectual property, which has fast become an ingredient for the development of the creative industries in all countries. Intellectual property law is a major policy tool and part of the regulatory environment suitable for the establishment and expansion of creative businesses, which are sources of wealth for developed and developing countries alike.

This chapter is concerned with intellectual property rights (IPRs) and the creative economy. It will be clear from this chapter that this field presents difficult challenges to governments, artists and creators as well as to analysts and agencies. Thus, there are sensitive areas and different approaches to addressing IPR issues. The content and analysis presented in this chapter reflect the ongoing work and contributions of the WIPO secretariat. Nevertheless, as this study is a joint endeavour of five United Nations agencies, other perspectives have also been introduced with a view to advancing reflection on alternative ways to tackle contending IPR issues, taking due account of the perspective of developing countries.

Put simply, common practice has been to measure and regulate the physical movement of goods; this is what trade flows are. Increasingly, other dimensions of products and ideas have also been traded in the form of licences, royalties and copyrights. This trade reflects a licence to use rather than own an object.

This notion of "intellectual rights" has a long history and an established regulatory system. In the past when such rights were embedded, locked into or in some way integral to the physical good, rights could be regulated as an adjunct to physical trade. Where it could not, special procedures were put in place: a licence to extract oil, a tax on volume of a material extracted, etc. However, with digitization, it is possible to totally separate the physical and intellectual rights, and this has created a crisis with respect to both regulation and business models (see chapter 7).

The aim of this chapter is to analyse how IPRs are particularly important to the creative economy and the ways in which current modes of regulation and measurement do not yet appear sufficient to allow a proper overview of their economic impact on the trade balance of individual countries. Of course, the creative industries are not alone in this problem. For some time, most economists have sought to measure the trade in "invisibles", but in general terms, these measures are better adapted to the first generation of the knowledge economy, associated with a trade in licences associated with physical goods. Arguably, we might be entering the creative-economy era associated with virtual goods and rights. Accordingly, the tools currently used for capturing income flows generated by the creative industries and translated into copyrights are partial or inadequate, and new ones need to be devised. In part, chapter 5 offers a pragmatic way forward that marries the trade in tangible goods and intangible services, but a key component – international flows of copyrights – is missing in order to be able to present the real picture of the creative economy.

This chapter also reviews recent attempts made by WIPO to map the copyright-related industries in selected countries in order to identify broader economic, social and cultural indicators, in particular the share of creative sectors in national economies. However, little progress has been made in capturing international flows of copyrights and measuring the trade balance of countries in intellectual property. There is a significant challenge to be faced in measuring and understanding this important new flow of goods and services circulating in the creative economy, and it is not only statisticians and policy-makers who are interested in this issue. One of the challenges presented by the new forms of property rights and means of trading them

is to existing business models. Entirely new business forms are emerging as new entities or entirely restructured existing industries. Thus the insight provided by these new data will be of use to those hoping to enter, as well as to those already participating in, the creative economy. Clearly, the data will also help to develop understanding on the part of policy-makers and regulators. This is discussed in more detail in chapters 5 and 7.

A number of international and United Nations organizations deal with intellectual property issues. Most notably, the World Intellectual Property Organization (WIPO), a specialized agency of the United Nations, is mandated to develop a balanced and accessible international intellectual property system throughout the world through cooperation among States and in collaboration with other international organizations. An important part of the mission of WIPO is the promotion of the creation, dissemination, use and protection of works of the human mind for economic, cultural and social progress. The efforts of WIPO are inscribed in its mandate to create better conditions and opportunities for international trade, development and growth in the creative economy.

UNCTAD is implementing a transfer of technology and IPR work programme and pays particular attention to the interface among international policies in the area of technology transfer, intellectual property and investment. Through its research activities on information technology for development, UNCTAD has on several occasions addressed open-source and open-access issues. The WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) indicates minimum standards for many forms of intellectual property regulation and introduces intellectual property issues into the international trading system.

6.2 What are intellectual property rights?

Intellectual property regimes are the legal rights that result from intellectual activity in the industrial, scientific, literary and artistic fields. They aim at safeguarding creators and other producers of intellectual goods and services by granting them certain time-limited rights to control the use made of those productions. These rights do not apply to the physical object in which the creation may be embodied but instead to the intellectual creation as such. IPRs can take the form of copyrights or geographical indications and appellations of origin, topics that will be elaborated later, but IPRs can also be applied as follows:

- *Patent:* an exclusive right granted for an invention that has an element of novelty and utility. In a practical sense, the existence of the patent system constitutes an important incentive to inventive, innovative and creative activity. Patent rights run for a limited length of time, generally up to 20 years, as long as the maintenance fees are paid;
- *Industrial design:* the appearance or aesthetic aspect of the whole or part of a product that may consist, in particular, of the lines, contours, colours, patterns, shape, surface, texture of materials of the product itself. To be protected, a design must appeal to the eye. Industrial designs are applied to products of industry and handicraft, such as jewellery, architectural structures or textile designs. The owner is assured an exclusive right against unauthorized copying or imitation usually up to a maximum of 15 to 25 years;
- *Trademark:* may be one or a combination of words, letters and numerals. It may consist of drawings, symbols, three-dimensional signs such as the shape and packaging of goods, music or vocal sounds, fragrances, or colours used as distinguishing features. A trademark ensures the exclusive right to use it to identify goods or services, or to authorize another to use it in return for payment. Trademarks must be distinctive, but nowadays almost anything can be a trademark.

The aim of the intellectual property system is to encourage the creative activity of local artists and businesses and supports the transformation of this activity into products that reach the market, both local and global. Supporting domestic creators and entrepreneurs engaged in the creation, production, marketing, broadcast or distribution of creative works is a key step on the way to cultural vitality and economic prosperity. The role of intellectual property is

[1] Preamble to the Convention on the Protection and Promotion of the Diversity of Cultural Expressions, 2005, available online at http://portal.unesco.org/en/ev.php-URL_ID=31038&URL_DO=DO_TOPIC&URL_SECTION=201.html#AUTHORITATIVE

affirmed not only in international property conventions but also in key instruments in other policy areas, such as the Convention on the Protection and Promotion of the Diversity of Cultural Expressions, which recognizes "the importance of intellectual property rights in sustaining those involved in cultural creativity".[1]

Box 6.1 Design as a key ingredient for growth

In his youth, Ingvar Kamprad began buying and selling a variety of items and reinvesting the profits. While he was still a teenager, he founded what would eventually become the multi-billion-dollar interior design company, IKEA, which has 104,000 employees worldwide. In 1947, his introduction of furniture into the company product line met with such success that in 1951, he dropped all other product lines and focused on furniture. The design process always starts with the price tag. Kamprad's vision "to create a better everyday life for the many people" has guided the company, spurring creativity by forcing it to always strive towards new, ground-breaking design solutions. The aim is to produce well-designed yet functional products accessible to as many people as possible while encouraging innovation.

The company also has a long history of working with talented, internationally recognized designers. In the 1960s, for example, it was helped by famous designer, Taipo Wirkkala, a recognized glass artist whose works can be viewed at the Metropolitan Museum of Art in New York. The tradition of these collaborations has continued to give customers the chance to decorate their homes with something a little more special. At the same time, it helps artists to reach a wider audience through the remarkable influence and large target group of the company. The encouragement of design innovation has not only proved successful in terms of economic revenues but it has led to widespread recognition through several design awards, such as the Excellent Swedish Design Award and the internationally prestigious "red dot for highest design quality".

With a strong concept that is characterized by Swedish values, Scandinavian design, a healthy environment, cost-conciousness and informality, the company not only helps to put Sweden on the map but it also uses its origin as an engine to reach its own goals since it is not tailor-made policy programmes that explain the company's success but rather, general conditions that enabled the company to grow. Professor Richard Florida, author of The Rise of the Creative Class, places Sweden at the top of his list for a global creativity index.

By Tobias Nielsén -Lena Rune, QNB Volante.

6.3 Intellectual property and the creative industries

There are different approaches to identifying which are the creative industries, depending on the criteria chosen. The WIPO perspective stresses the relationship between creativity and intellectual property protection, most notably copyright.

Creative industries are involved directly or indirectly in the commercial exploitation of intellectual property-based goods and services, i.e., mainly cultural, information and entertainment goods. Intangible capital and intellectual property protection play a fundamental role in these industries.

From the WIPO perspective, the creative industries may be divided into four groups according to the degree of use of copyright material.[2] The most important are "core industries", which are generally regarded as synonymous with copyright industries. The core is made up of industries that produce and distribute works that are protectable under copyright or related rights: film and video, music, performing arts, publishing, software and database, television and radio, advertising, copyright collecting societies, and visual and graphic art, including photography. The core industries are wholly engaged in the creation, production and manufacturing, performance, broadcast, communication and exhibition, or distribution and sales of protected works.

A second group, the "interdependent industries", comprises those industries that are engaged in the production, manufacture and sale of equipment whose function is to facilitate the creation, production or use of works and other protected subject matter. The interdependent industries comprise such economic activities as manufacture, wholesale and retail of television sets, radios, CD players, DVD players, electronic games equipment, computers, musical instruments, blank recording material, paper, photocopiers, and photographic and cinematographic instruments. A further group, the "partial industries", includes those in which a portion of the activities is related to works and other protected subject matter. They comprise architecture,

[2] See WIPO, *Guide on Surveying the Economic Contribution of the Copyright-Based Industries*, Geneva, 2003. See chapter 1 for the comparison of the models used in the WIPO report.

apparel, textiles and footwear, interior design, household goods, china and glass, furniture, jewellery and coins, crafts, wall coverings and carpets, toys and games, and museums. The last category comprises the "non-dedicated industries" in which a portion of the activities is related to facilitating broadcast, communication, distribution or sales of works and whose activities have not been included in the core industries. They include general wholesale and retailing, general transportation, and telephony and the Internet.

In order to fully capture the multiple effects that are produced by copyright on the various economic activities, the WIPO approach includes all of the above-mentioned four groups in any comprehensive survey of the creative sector.

The creative industries encompass the narrower concept of the "cultural" industries, which are regarded as those that produce products that have culturally significant content that is reproduced on an industrial scale (a term often used in relation to mass media production). The creative industries broaden the field of the cultural industries to add all cultural or artistic production, whether live or produced as an individual unit and traditionally used in relation to live performances, cultural heritage and similar "high-art" activities. They also include, in addition to the "cultural" industries, all those industries that contribute indirectly to the production, sale, performance, distribution, etc. of protected work.

Today creative industries have firmly established themselves as a vital component of our societies and they increasingly contribute to the development of national economies. Research has provided solid evidence of their growing importance, and national decision-makers and opinion leaders are more and more aware of the economic importance of these industries. While contributing to cultural diversity and the enhancement of social values, these industries are also generating wealth, creating jobs and promoting trade.[3]

While the term "intellectual property right" is widely used, as examined earlier, it should be pointed out that it is a general term for a number of rights: patents, industrial designs, trademarks, geographical indications and appellations of origin, and copyrights. It is the latter two that are of most relevance to the creative industries although all intellectual property concerns apply to the creative economy.

6.3.1 | Geographical indications and appellations of origin

A geographical indication is a sign used on goods that have a specific geographical origin (a village or town, a region or a country) and that possess qualities or a reputation that are due to that place of origin, including local human factors, such as specific manufacturing skills and traditions. For example, "Switzerland" or "Swiss" is perceived as a geographical indication in many countries for watches. "Bohemia Crystal" indicates that the product is made in Bohemia, Czech Republic, according to the region's artistic tradition. An appellation of origin is the geographical name of a country, region or locality used to designate a product that originates there and that has qualities and characteristics that are due exclusively or essentially to the geographical environment, including human factors.

The significance of geographical appellation is that it has a linkage to the cultural milieu of production and ways of life. First, geographical appellation does recognize and hence legitimate a significance of a cultural tradition and provide ways to protect it from misuse or simply copying. Second, it provides a means of branding products for sale as well as places for tourists to visit. Accordingly, geographical appellation can be important in developing economies.

6.4 Copyright and the creative economy

Copyright is the area of intellectual property law that provides protection to original works of authorship, such as paintings, sculpture, music, novels, poems, plays, architecture, dance, instruction manuals, technical documentation and software. Copyright laws give statutory expression to the economic and moral rights of creators in their creations and the rights of the public in the access to those creations. They also aim to promote, as a deliberate act of government policy, creativity and the dissemination and application of its results and encourage fair trading as a means by which to contribute to economic and social development.

[3] For data, see *National Studies on Assessing the Economic Contribution of the Copyright-Based Industries*, Creative Industries Series, No.1, WIPO, 2006, and the WIPO website http://www.wipo.int/ip-development/en/creative_industry/economic_contribution.html

The concept of "copyright and related rights" is defined in national legislation. The basic concepts in national law are, however, largely consistent with the provisions of international instruments. The most important of these is the Bern Convention for the Protection of Literary and Artistic Works; at the time of drafting this Report, there were 163 contracting parties to the Convention.[4]

The economic necessity for copyright legislation arises from the need to provide an incentive and a reward for the commercial production and dissemination of creative works. Copyright supports creativity by giving individuals – and the creative industries in which they are involved – strong incentives to invest time, efforts and money in creating, producing and distributing works. Copyright assures the ownership of a tradable right that can be used to secure a financial return on their investment.[5] Certain legal philosophies view copyright law as originating from the ever-increasing need of society to consume products of creative industries and see copyright as the tool to bring the largest number of quality products to market where consumers will ultimately judge their merit. Others, seek the legitimacy of copyright from respect devoted to works of the human mind and rely on the moral principle that individuals should be rewarded for their creative labour and contribution to cultural diversity and, in general, to the welfare of society.

6.4.1 | Exclusive rights

Copyright consists of a system of rights given to creators in their literary and artistic works at the moment of creation provided they are not under contract that specifies otherwise.[6] These rights are tradable and may be sold to other individuals and firms. Creators and ultimately their heirs, or rights owners, hold the exclusive rights to use or license others to use the work on agreed terms. The holder of the copyright of a work can prohibit or authorize, for example:

- its reproductions in various forms, such as printed publication or a CD;
- its public performance, as in a play or musical work;
- its broadcasting, including by radio, television or satellite;
- its translation into other languages or its adaptation, such as the adaptation of a novel into a screenplay.

These economic rights have a time limit, according to the relevant WIPO treaties, of 50 years after the creator's death. National law may establish longer time limits.[7] This limit enables both creators and their heirs to benefit financially for a reasonable period. Once the copyright term has expired, works fall into the public domain.

Copyright provides exclusivity only over the form of expression of an idea but not to the idea itself. The creativity protected by copyright law is creativity in the choice and arrangement of words, musical notes, colours, shapes and so on. For example, it is the way in which an artisan has creatively executed the idea of creating a tea set or the way a photographer has taken a picture of a specific subject that is copyrightable, not the idea itself. Copyright law protects the owner of rights in artistic works against those who "copy", i.e., those who take and use the form in which the original work was expressed by the author. Ideas, processes, procedures, methods of operation and facts by themselves may be freely taken and applied or used, subject, of course, to other types of limitations.

6.4.2 | Moral rights

Copyright protection also includes moral rights, which involve the right to claim authorship of a work and the right to oppose changes to it that could harm the creator's reputation. Moral rights correspond to the interests of creators in being identified as the originators of a particular work, and the ability to control the conditions that surround its dis-

[4] According to the Bern Convention, literary and artistic works are protected without any formalities in all the contracting parties. If a creator is a national or resident of a country party to that Convention (or a member of the WTO), or has published the work initially in one of the member countries, his/her copyright will be automatically protected in all the other countries that are party to the Convention. Other major legal instruments include the International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations (commonly known as the Rome Convention, at drafting time, there were 86 parties to the Convention), the Agreement on Trade-Related Aspects of Intellectual Property Rights (commonly known as the TRIPS Agreement, at drafting time, there were 151 WTO members, all of which are parties to the TRIPS Agreement), and the WIPO Copyright Treaty (WCT) of 1996 and the WIPO Performances and Phonograms Treaty (WPPT) of 1996 (at drafting time, there were 64 contracting parties to the WCT and 62 to the WPPT).

[5] For a thorough analysis of the economics of copyright, see William Landes and Richard Posner, "An Economic Analysis of Copyright Law", *The Journal of Legal Studies*, Vol. 18, No. 2 (June 1989), pp. 325, 325-333, 344-353.

[6] If a creative product is produced under a "work [made] for hire" contract – which is common in the music and publishing industries – the contractor or employer is considered the legal author. In this case, the creator of the work may or may not be publicly credited for the work (attribution) and this has no effect on the ownership status. For example, news journals may attribute news articles as written by their staff but will retain the ownership and, from a copyright perspective, the authorship of the articles. In such cases, even though the commercial component of the copyright is detached from the real creators, countries that are signatories of the Bern Convention recognize certain non-commercial moral rights that are inalienable under work-for-hire contracts.

[7] For example, in India, the term is 60 years after the creator's death; in countries of the European Union and in the United States, 70 years; and in Mexico, 100 years. Copyright laws of a wide range of countries can be consulted from the Collection of Laws for Electronic Access (CLEA) database of WIPO at http://www.wipo.int/clea/en/index.jsp

Box 6.2 ***The Da Vinci Code* case**

A copyright infringement case was brought against the publishers of *The Da Vinci Code* by Michael Baigent and Richard Leigh, two of the authors of a 1982 non-fiction work, *The Holy Blood and The Holy Grail*. According to an article in the June 2006 issue of *WIPO Magazine,* "At the centre of the dispute was a 'hypothesis' presented in *The Holy Blood and The Holy Grail*" according to which "references to the Grail in early manuscripts were disguised references not to the chalice, but rather to holy blood or Sang real, i.e. to the bloodline of Jesus Christ, and to the belief that this bloodline … had continued and merged with the French Merovingian dynasty".

The plaintiffs "claimed copyright in the literary work and alleged that Dan Brown", author of *The Da Vinci Code*, "had copied the way in which they had made the sequence of connections of the facts of the merging of the bloodlines. Since there was little copying of the actual text of *The Holy Blood and The Holy Grail,* the claim was that there had been **non-literal copying of a substantial part** of their literary work".

The Holy Blood and The Holy Grail "is comprised largely of historical facts which are unprotectable ideas. Baigent and Leigh based their case, therefore, on the claim that Brown had taken a substantial part of the 'manner' in which they had expressed those ideas, as opposed to taking the ideas themselves".

"The court held that, while the evidence was clear that Dan Brown and his primary researcher (his wife) had drawn on *The Holy Blood and The Holy Grail* to a greater extent than Brown had acknowledged, this did not mean that he had infringed copyright in the book. Rather, they had used *The Holy Blood and The Holy Grail*, and other books, to provide general background material for the writing of *The Da Vinci Code*".

"The significance of the case for copyright law relates to the fact that the lawyers acting for Baigent and Leigh attempted to make – and lost – an argument that there can be non-literal copying of a work of literature. The non-literal argument has previously been successfully used, usually in the case of computer programs or recipes or knitting patterns."

Source: Dr. Uma Suthersanen, "Copyright in the Courts: The Da Vinci Code", *WIPO Magazine*, June 2006, available at: http://www.wipo.int/wipo_magazine/en/2006/03/article_0004.html. See *Michael Baigent and Richard Leigh v. The Random House Group Limited* Neutral Citation Number: [2006] EWHC 719 (Ch), available at: http://www.binarylaw.co.uk/2006/04/smithy_code.htm.

semination, be it from the very decision to go public to the safekeeping of authenticity, thus addressing both economic and cultural dimensions. Moral rights are inalienable from the authors and cannot be transferred to third parties under commercial contracts.[8]

6.4.3 | Related rights

Many creative works protected by copyright require mass distribution, communication and financial investment for their dissemination (for example, publications, sound recordings and films); hence, creators often sell or license the copyrights to their works to individuals or companies best able to market the works in return for payment. These payments are often made dependent on the actual use of the work and are then referred to as "royalties".

In principle, works of the mind are created in order to be disseminated to a wider audience. This generally cannot be done by an author alone, for it requires financial investment by intermediaries that have the necessary production and reproduction infrastructure, access to retailers and distribution networks and professional competencies – such as management, marketing and public relations – that the author may not possess. A play needs to be represented on stage; a song needs to be performed by artists, reproduced in the form of CDs or broadcast by means of radio facilities. All persons who make use of literary, artistic or scientific works in order to make them publicly accessible to others require their own protection against the unauthorized use of their contributions in the process of communicating the work to the public.

In light of the above, the field of rights related to copyright has rapidly developed over the last fifty years. These related rights grew up around copyrighted works and provide similar rights although often more limited and of shorter duration. In the WIPO perspective, they provide protection to those who assist intellectual creators to communicate their message and to disseminate their works to the public at large

Recent technological developments have dramatically transformed the way in which related rights operate. With regard to the rights of performers, the performance of actors or musicians, which a century ago ended with the play or concert in which they performed, may now be fixed on a

[8] While the Bern Convention is "moral rights" friendly, the United States does not recognize it.

variety of mechanisms, including radio, television, satellite transmission and the Internet. What earlier was a localized and immediate phase of a performance in a hall before a limited audience became an increasingly permanent manifestation capable of unlimited and repeated reproduction and use before an equally unlimited audience that went beyond national borders. The development of broadcasting and television had similar effects.

Likewise, the increasing technological development of phonograms, mainly through the rapid proliferation of digital and Internet-based media, has resulted in producers of phonograms and broadcasting organizations calling for better and greater protection for their produced content as well as against retransmission of their own programmes by other similar organizations. In response, there have been suggestions by both media industry insiders as well as consumer protection groups that the current business model of the recording, film and broadcast industries, which requires ever greater content control and legal remedy, is out of step with the realities of the nature and usage of Internet and digital technologies.

6.4.4 | Exceptions and limitations to copyright

Developing countries need to have access to products of creative industries as they seek to bring education to all, facilitate research, improve competitiveness, protect their cultural expressions and reduce poverty. There are two approaches to this problem. The first is to encourage access: certain acts normally restricted by copyright may, in circumstances specified in the law, be carried out without the authorization of the copyright owner, for the benefit of society. The second is that developing economies need to raise awareness of the existence and potential of content that, while not in the public domain, is copyrighted but made available under alternative and often less restrictive licences such as those proposed by the Creative Commons project and the free and open-source technology communities.

Concerning the first proposition, exceptions and limitations embedded in the traditional copyright system are part of the delicate balancing process between the needs of creators and creative businesses, and the interest of their users, society and the public in access to information and knowledge. The challenge is to achieve the right balance between the incentive to copyright owners to commercialize the product and the copyright-based restrictions placed on the use of protected works.

There are two basic types of limitations: free uses and non-voluntary licences. Free uses are acts of exploitation of works that may be carried out without authorization and without an obligation to compensate the owner of rights for the use. For instance, under most national copyright laws, it is permissible to reproduce a work exclusively for the personal and private use of the person who makes the reproduction, provided that this person has already acquired a user licence by buying the media (a CD or DVD) or agreeing to terms and conditions when purchasing a content file from an online supplier, or to make quotations from a protected work, provided that the source of the quotation, including the name of the author, is mentioned and that the extent of the quotation is compatible with fair practice. Exceptions often include permission for private non-commercial use, quotation, parody, news reporting, and certain educational and research uses. Non-voluntary licences enable acts of exploitation to be carried out without authorization but with the obligation to compensate the owner of rights.

In most countries, national legislation codifies exceptions and limitations with great specificity. It generally designates a restrictive set of limitations, specific permitted uses identified and enumerated in detailed rules. Some countries, however, particularly in the common-law tradition, recognize more open-ended concepts of "fair use" and "fair dealing". "Fair use" began as a judge-made exception to the rights of copyright owners in the United States and is applied by the courts on a case-by-case basis, based on guiding principles contained in the statute. By contrast, "fair dealing" is a term that groups together a number of limitations that are spelled out in more detail in the statute rather than a general standard to be applied by courts as is the case of "fair use" in the United States.

Concerning the second proposition on raising awareness about less restrictive copyright licences, there is an increasing quantity of creative products available that are often world-class products. The most obvious examples are the Wikipedia project, where the content is published mostly under some variant of Creative Commons or the GNU Free Documentation licenses[9] or the GNU Linux computer operating system which, while used in for-profit activities

[9] See http://creativecommons.org/ or http://www.gnu.org/copyleft/fdl.html

and made commercially available by the likes of IBM or Novell, is available under the GNU General Public License.[10] National copyright legislation is obliged to enforce and respect the licence conditions as declared in these and other open or public licences, and recent cases have upheld the rights of the copyright owners distributing works under alternative free and/or open licences.[11]

Box 6.3 A collaborative approach to creativity and knowledge

Wikipedia is a multilingual, Web-based, free-content encyclopedia project. It is written collaboratively by volunteers from all around the world and its articles can be edited by anyone with access to the Internet. The name Wikipedia is a portmanteau word combining "wiki" (a type of technology that allows users to update a web page using their Web browser) and "encyclopedia". The mission of the Wikimedia Foundation, which, among other things, manages Wikipedia, is to empower world citizens to share in the sum of all human knowledge. This is done by engaging people worldwide to collect and develop educational content under a free-content licence or in the public domain and to disseminate it effectively and globally. Since its creation in 2001, Wikipedia has grown rapidly into one of the largest reference websites. According to Alexa Internet, Inc., a company providing information on Web traffic, it is one of the 10 most visited websites in the world.

In every article, links will guide the user to associated articles. Anyone is welcome to add information, cross references or citations as long as they do so within the Wikipedia editing policy and to an appropriate standard. The Wikipedia software, known as MediaWiki, is carefully designed to allow easy reversal of editorial mistakes.

Because Wikipedia is an ongoing work to which, in principle, anyone can contribute and articles are "living", it differs from a printed reference source in important ways. In particular, older articles tend to be more comprehensive and balanced, while newer articles may still contain misinformation, content that is not encyclopedic in nature, or vandalism. Users need to be aware of this so as to obtain valid information and avoid misinformation that has recently been added and not yet removed. Information that remains in Wikipedia needs to be sourced. As a result, most articles have several links to primary sources, which are listed at the bottom of each article. Unlike a printed reference source, Wikipedia is continually updated, with the creation or updating of articles on topical events within minutes or hours rather than months or years for printed encyclopedias.

Wikipedia is a registered trademark of the nonprofit Wikimedia Foundation, which has created an entire family of free-content projects. On all these projects, people around the world are welcome to be bold and edit articles, contributing knowledge as they see fit in a collaborative way.

Wikipedia was founded as an offshoot of Nupedia, a now-abandoned project to produce a free encyclopedia. During 2000, Jimmy Wales, founder of Nupedia, explored ways to make Nupedia a more open, complementary project. Eventually, he was introduced to the Wiki technology and Wikipedia was born. In 2003, Wales created the Wikimedia Foundation, a charity, essentially giving Wikipedia and its sister projects to the world. In March 2007, the word "wiki" became a newly recognized English word.

There are more than 75,000 active contributors working on some 700.000 articles in more than 253 languages. As of today, there are 2,096,561 articles in the English-language version; every day, hundreds of thousands of visitors from around the world make tens of thousands of edits and create thousands of new articles to enhance the knowledge held by the Wikipedia encyclopedia.

All of the text in Wikipedia and most of the images and other content are covered by a GNU Free Documentation Licence (GFDL). Contributions remain the property of their creators, while the GFDL licence ensures that the content is freely distributable and reproducible.

Many visitors come to the site to acquire knowledge, others to share knowledge. In fact, at this very instant, dozens of articles are being improved and new articles are being created. You can view changes as they happen. You can also view random articles. Over 1,708 articles have been designated by the Wikipedia community as "featured articles", exemplifying the best articles in Wikipedia. Another 2,500 articles are designated as "good articles". Wikipedia also has portals, which organize content according to topic areas.

By Sandy Ordonez, Wikimedia. Website: http://www.wikipedia.org/

6.4.5 | Enforcement of copyright

The acquisition of copyrights is of little economic value if these rights cannot be enforced effectively. The credibility of the system depends to a considerable extent on the enforceability of the rights it confers. Well-functioning enforcement mechanisms are the best means to limit the number of violations of copyrights and to ensure that rights holders and society as a whole can reap the benefits from the intellectual property system.

[10] See http://www.gnu.org/copyleft/gpl.html.
[11] See http://gpl-violations.org/about.html.

When we consider the protection and enforcement of copyright and related rights, piracy appears as one of the central issues. All kinds of works are at risk. Music, books, videos, DVDs and even craft design are copied illegally. WIPO argues that in developing economies, as a result of the flooding of markets with cheap "copyright-free" foreign products, domestic creators and producers lose their competitiveness, which in turn endangers cultural diversity and national identity. Piracy is a huge challenge in many countries, and the argument is that countries where piracy is rampant may forego opportunities for growth and development on several levels, both tangible and intangible, since it destabilizes the local creative industries and undermines the efforts of creative entrepreneurs and businesses. Inadequate enforcement of copyright limits incentives to develop creative products, especially for small and medium-sized enterprises.

6.5 The economics of copyright

Copyrighted works, like other intangible goods, suffer from what economists call the public goods problem: they are non-rivalrous and non-excludable goods. This means that their use by one person does not reduce their usefulness for other persons; thus an unlimited number of people may consume the work without using it up. In addition, while the cost of creating copyright goods is often high, the cost of reproducing them is low. This leads to an economic disincentive to commercialize new works.

The limited monopoly granted by copyright laws provides copyright owners with the legal entitlement to exclude others from enjoying the copyrighted work. In the case of traditional copyright where the terms and conditions are not specified beyond the designation "Copyright [date]", "©" or eventually "All rights reserved", anyone else who wants to use the work needs to seek permission from the owner. Yet while these rights may be exclusive, they are not absolute and certain national IPR legislations provide limitations and exceptions to help to keep the copyright system balanced to avoid the costs of an overly extensive set of rights. These are so-called "fair-use" rights and will indicate a permissible degree of copying, in part or in full, within the family or household circle, for creating backups, in the production of comic and satirical material, and for the purpose of study and academic research. Creative Commons licences refers to a set of liberal copyright licences, often referred to as "copyleft", that instruct the users of the work as to which conditions (none, some, any/all) govern copying, attribution and the creation of derivative works based on the original.

The overextension of traditional copyright restrictions is also kept in balance by market competition. If the original creator charges a sufficiently high price, other creators may find an incentive in investing to produce a comparable alternative. The availability of such substitute goods for most works reduces market share and lessens the potential restrictive impact of monopoly situations. Wherever monopolistic or anti-competitive practices are detected, there is a role for competition policy, which should be perceived as complementary to the copyright system and an important counterbalance to the exclusive rights that it provides.

6.6 Contribution of the creative industries to the economy

A keen interest in the measurement of the contribution of the creative industries to national economies was in recent years fueled by the identification of creativity as a potential driver in the creative economy. Many studies were undertaken to evaluate and compare size, performance and competitiveness of the creative industries as well as to monitor trends and provide policy options based on solid quantifiable evidence. These studies were based on a variety of approaches, motivated by equally diverse policy objectives: social, economic or cultural. Difficulties emerged along the way, especially with regard to the capture of the non-economic returns of creativity. Clearly, a more transparent link to statistical reporting was needed to identify the multiple effects produced by the creative sector on society.

Developed by WIPO and a team of international experts in 2003, the WIPO *Guide on Surveying the Economic Contribution of the Copyright-Based Industries* outlined a methodology in economic terms. It provided the basis for undertaking a comparative analysis of the size of the creative sector in various countries that is built on reliable data and

common methodologies. The *Guide* summarized the existing experience and developed a step-by-step methodology to undertake measurement surveys. Based on a perspective on intellectual property and copyright, it presented new definitions of the copyright-based industries following the extent of use of copyright material (see also chapter 1).

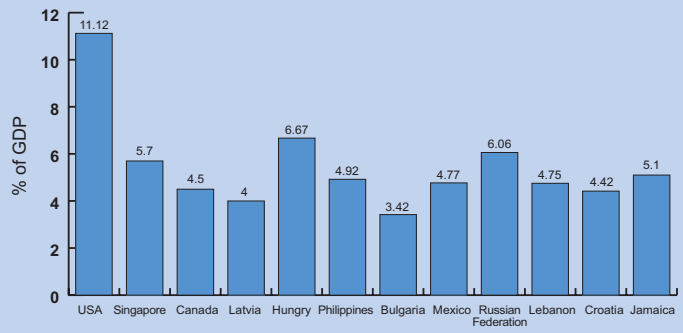
Since its publication, a number of countries have used the *Guide* to, among other things, position the industries in the national economy and draw international and cross-sectoral comparisons. The contribution of the creative industries to the national economy in terms of value added, GDP, generation of employment and trade provides solid evidence of the importance of this sector. According to the WIPO methodology, the creative industries of the United States grew at the rate of 7.66 per cent in 2005 (compared to 3.48 per cent for the national economy), and at 8.9 per cent in Singapore in 2001 (compared to 3.48 per cent for the national economy). In 2005, the value added generated by the core copyright-based industries in Bulgaria grew by 53 per cent in comparison to the level in 2003.

Table 6.1 Some results of the surveys based on the WIPO *Guide* [12]

Country	Creative industries contribution to GDP (%)	Creative industries % of employment
United States	11.12	8.49
Singapore	5.70	5.80
Canada	4.50	5.55
Latvia	4.00	4.50
Hungary	6.67	7.10
Philippines	4.92	11.10
Russian Federation	6.06	7.30
Mexico	4.77	11.01
Croatia	4.42	4.23
Lebanon	4.75	4.49
Jamaica	5.10	3.03
Bulgaria	3.42	4.31

Source: WIPO.

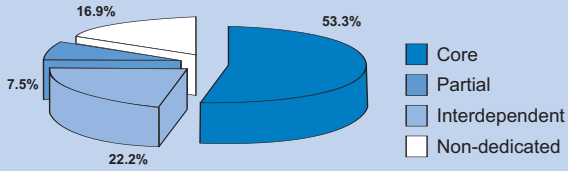
Chart 6.1 Contribution of the creative industries to GDP



As shown in chart 6.2, most of the creative economic activities are taking place within the core copyright-based industries group, followed by the interdependent group. The contribution to employment is also substantial, and the employment growth in the creative industries is often much stronger than in the overall economy. In Singapore in 2001, the employment growth rate in the creative industries was 5.2 per cent compared to 3.5 per cent in the economy as a whole. In Bulgaria from 2003 to 2005, employment in the core copyright-based industries grew by 12 per cent compared to 4 per cent in the economy as a whole.[13] In Canada, employment grew by 3.1 per cent in the core copyright-based industries from 2002 to 2003 compared to 2.3 per cent in the economy as a whole. The dynamics in the creative industries as an employment generator are indicative of the development potential of this sector in social terms. In some countries, such as Mexico and the Philippines, the creative industries employed more people than many of the traditional sectors of the economy.

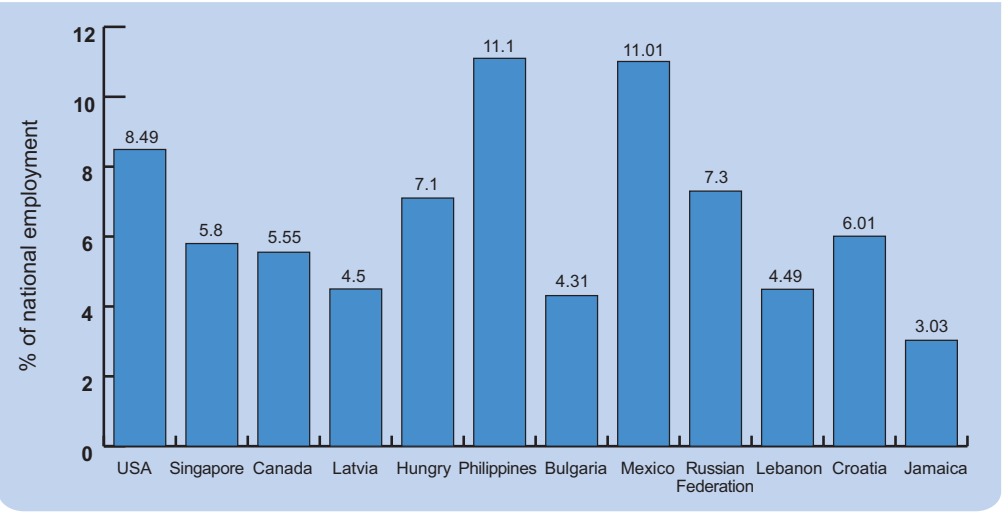
In 2006, WIPO published *National Studies on Assessing the Economic Contribution of the Copyright-Based Industries,* which presented the results of the first national studies carried out on the basis of the methodology in the WIPO *Guide on Surveying the Economic Contribution of the Copyright-Based Industries.* Since the National Studies began to be published, there has been a growing interest in continuing this research and, to date, over 24 surveys have been carried out. The practical experience derived from using the *Guide* is employed to adjust its application to specific country situations. It also opens the door for policy interventions by providing robust data that are comparable across countries and sectors.

Chart 6.2 Contribution of groups of copyright-based industries to total of creative industries



[12] Figures taken from *National Studies on Assessing the Economic Contribution of the Copyright-Based Industries* (WIPO, 2006) and research currently being conducted at WIPO. See WIPO copyright model in table 1.1.
[13] Ibid.

Chart 6.3 Contribution of the creative industries to national employment



6.7 Copyright, the creative industries and traditional cultural expressions

Traditional music, designs, performances, symbols and other creative expressions of traditional cultures communicate beliefs and values, embody skills and know how, reflect the history of a community and define its cultural identity. These traditional cultural expressions are valuable cultural assets of the indigenous and local communities who maintain, practice and develop them.

Traditional cultural expressions can also be economic assets: they are creations and innovations that can, if so desired, be traded or licensed for income generation and economic development. They may also serve as an inspiration to other creators and innovators, who can adapt the traditional expressions and derive new creations and innovations from them.

Traditional cultural expressions and other elements of intangible cultural heritage are therefore a mainspring of creativity as they are in a permanent cumulative process of adaptation and re-creation.

Unfortunately, too often cultural products deeply rooted in the cultural heritage of developing countries have crossed borders and established significant market niches in industrialized countries, not adequately benefiting the countries of origin. Developing countries should respond by leveraging their rich cultural heritage and creating and trading in new, distinctive and locally rooted cultural goods and services. Developing countries should put in place strategies and action plans to encourage and reward creativity by their own nationals, drawing from their traditional cultures and heritage.

Traditional cultural expressions are also cultural assets, however, and cultural heritage is not only there to be leveraged as an economic resource. In this socially, culturally and technologically connected world, it is increasingly recognized that culture is not a mere commodity and that heritage as such is worthy of safeguarding and protection. In this case, intellectual property tools can also play a role through values embedded in the intellectual property system that prevent misappropriation and misuse of creativity, including traditional creativity. The relationship between intellectual property and traditional cultural expressions, and the cognate area of "traditional knowledge", raises complex legal, cultural, political and conceptual issues, however.[14]

The conventional intellectual property system has been identified by some as not only inadequate to comprehensively and appropriately protect traditional cultural expressions but also as positively harmful in at least two directions. First, intellectual property rules exclude many traditional cultural expressions from protection, consigning

them to an unprotected "public domain". Second, follow-on innovations and creations derived from traditional cultural expressions receive protection as "new" intellectual property, giving the holders of the IPRs the exclusive right to determine the conditions under which third parties (including the traditional cultural expression-holding communities themselves) may use and benefit from the intellectual property. As a result, many call for new, sui generis ("special") systems to protect traditional cultural expressions, and several countries have already put in place national sui generis laws and measures, such as Ghana, New Zealand, Panama and Peru, to name only a few.

The relationship between intellectual property and traditional cultural expressions is also more nuanced and complex, however. For example, contemporary expressions of traditional cultures are protected by conventional copyright[15] and performances of traditional cultural expressions are also protected internationally.[16] Certification trademarks and labels of authenticity have also been used successfully by indigenous communities in Canada, Fiji, New Zealand, Panama and Tonga to curb the sale of fake traditional creative arts. Further, some argue that the creative use by third parties of "public domain" traditional cultural expressions sustains creativity and revitalizes, preserves and promotes traditional cultures.

While there are diverse views on these questions, there is wide consensus that traditional cultural expressions embody innovation and creativity and should not be misappropriated and misused. The challenge, then, is to identify gaps in the protection offered by current systems and construct balanced and workable measures to fill these gaps in accordance with the aspirations of indigenous and local communities and the broader public interest.

However, what precisely is a "traditional" cultural expression? When is use of a traditional cultural expression legitimate cross-cultural borrowing and when is it "misappropriation"? What are the appropriate role, contours and shape of the "public domain"? Who should benefit from the protection of traditional cultural expressions? Since much creativity is derivative, are many traditional cultural expressions not the result of centuries-old cultural intermingling, making it difficult if not impossible to identify single community "owners"? For how long should any protection be granted? What public-policy goals are sought to be achieved through granting intellectual property-like protection to traditional cultural expressions?

6.7.1 | Indigenous communities and new technologies

Digital technologies and computer networks – especially the Internet – offer unprecedented opportunities for the promotion, preservation, revitalization and protection of intangible cultural heritage. Expressions of traditional creativity and innovation can serve as springboards for new cultural expression, especially in the digital world. Digitized traditional music, designs and art can reach new audiences in niche markets for distinctive, diverse and "local" cultural goods and services and, in so doing, promote community and rural economic and cultural development. However, the digitization and dissemination of traditional cultural expressions can lead to their misappropriation and misuse. In some cases, safeguarding efforts have unwittingly led to the unauthorized disclosure or commercial exploitation of culturally sensitive materials.

As a result, indigenous organizations, museums and archives, and researchers (such as ethnomusicologists) have called for guidance on which intellectual property issues and options arise during recording and digitization initiatives. In response, the WIPO Creative Heritage Project[17] is developing best practices and guidelines for managing intellectual property issues when recording, digitizing and disseminating intangible cultural heritage. These best practices and guidelines will assist communities and cultural institutions to manage intellectual property options so as to both preserve their cultural heritage and protect it against misappropriation and misuse. For example, copyright and related rights can provide protection for performances, recordings, compilations and contemporary interpretations of traditional cultural expressions. Trademarks and other forms of protection for distinctive signs and indications can also be useful.

Making traditional cultural expressions publicly available does not necessarily place them in the "public domain": by creating and exercising IPRs in new digital recordings,

[14] See, generally, WIPO, "Consolidated Analysis of the Legal Protection of Traditional Cultural Expressions/Expressions of Folklore", WIPO Publication No. 785

[15] See WIPO, "Minding Culture: Case Studies on Intellectual Property and Traditional Cultural Expressions", WIPO, Publication No. 781, Geneva, 2003. Available at: http://www.wipo.int/tk/en/studies/cultural/minding-culture/studies/finalstudy.pdf

[16] By the WIPO Performances and Phonograms Treaty, 1996.

[17] See http://www.wipo.int/tk/en/folklore/culturalheritage/index.html .

Box 6.4 Jewellery: A magic marriage between tradition and contemporary design

Diamonds, emeralds, aquamarines, amethysts, topazes, tourmalines, rubies, sapphires and many more inspiring beauties. Hundreds of colourful precious and semi-precious stones, abundant in countries such as Brazil, Ghana, India, the Lao People's Democratic Republic and South Africa. Exported for a long time simply as raw materials for top foreign designers. Now, however, developing countries are perceiving jewellery as a perfect match between tradition and high value-added activity.

The first facet of this market comprises traditional cultural expressions, defined by WIPO as "productions consisting of characteristic elements of the traditional artistic heritage developed and maintained by a community … or by individuals reflecting the traditional artistic expectations of such a community, in particular … tangible expressions, such as: …jewelry".[1] Indeed, jewels have always been intrinsic to the everyday life of traditional communities. Works of art with religious and other symbolic meanings, jewels play an important role in maintaining traditions. Andean jewellery, for instance, has its roots in pre-Hispanic times. In Africa, ornaments made of precious stones are believed to have a talismanic power. Indian jewellery is found in most traditional representations as sacred ornaments and takes on regional nuances.

Old gemstone markets are also a rich part of the cultural and economic life in a range of countries. A paramount example is the gem market in the heart of the old Thai city of Chantaburi, a paradise for ruby and sapphire trade since the middle of the nineteenth century and a magnet for tourists. The Ghanaian tradition in jewel-making, dating back to the fifth century BC, has been passed down through the generations to craftsmen and craftswomen using techniques such as granulation, lost wax casting, filigree and chasing and is now evident in the local industry of over 1,000 indigenous artisans based in cities such as Accra and Kumasi.

Over the centuries, precious stones were considered the proper ornaments for kings, queens and religious chiefs on all continents, with the power to protect and cure their holders. The multitude of meanings of jewellery has shaped civilizations down the ages, as reported by Pliny the Elder in the last chapter of his Natural History, written in 77AD. In describing their uses, he referred to famous artists and their creations and to Roman architectural styles and technology.

For thousands of years, traditional jewellery remained unchanged. Recently, however, producers of precious stones are approaching the jewellery market differently, expressing traditions through contemporary design. Trade and trends at a global level have favoured fashion as a fundamental sales driver, and jewellery manufacturers are rushing to adjust their product designs to cater to this segment while keeping a foot in their cultural roots. In Ghana, artisans combine traditional cultural influences such as traditional Ashanti and Fanti styles with contemporary design, turning old and rare glass beads along with brass, horn, gold and silver pieces into wearable jewellery.

The market potential has not remained unobserved by the business world or governments. Tanishq, India's largest jewellery brand and part of the gigantic Tata Group, announced in 2007 the opening of its new 3,500 sq ft store in Koramangala, Bangalore. Tanishq specializes in creating contemporary products inspired by India's rich heritage. The H. Stern Brazilian chain, created in the 1950s, nowadays employs 3,000 people and appears in the articles and photographs of the most respected fashion magazines in the world. Its creations are strongly based on design in a dialogue with architecture, fashion, music and the arts in general. The 42,000 sq ft headquarters in Rio de Janeiro is the largest space built for jewellery production and trade in the world. In Ghana, the industry is supported by training colleges and university courses such as the Jewellery College located at the Weija Industrial and Commercial Estates in Accra and the Metal Products Department of the Kwame Nkrumah University of Science and Technology, which graduates skilled artisans each year. The Government of Ghana has a number of programmes to boost investment and productivity in the jewellery sector through the Ministry of Trade and Industry, the Ghana Export Promotion Council and the Ghana Investment Promotion Centre. These activities have resulted in a significant rise in the domestic production and sale of jewellery in the country.

[1] Intellectual property and traditional cultural expressions/folklore, WIPO Booklet No. 1, p. 6. Available at: **http://www.wipo.int/freepublications/en/tk/913/wipo_pub_913.pdf** .

By Ana Carla Fonseca Reis, Garimpo de Solucoes, economia, cultura & desenvolvimento and Avril Joffe, Director, CAJ: culture, arts and jobs.

protection of the cultural expressions can be enhanced. The decision as to whether or not to use new technologies and intellectual property tools to participate in the information economy is tied to the overall cultural and economic goals of the tradition-bearers themselves, on which only they can decide.

The WIPO Creative Heritage Project also provides associated information-technology support for the recording, digitization and dissemination of cultural materials by indigenous communities if they so decide. A proposed WIPO Creative Heritage Digital Gateway, an online portal on the WIPO website, would seek to provide samples of the recordings made by communities with WIPO assistance and facilitate access to websites established by them. WIPO is, for example, working with an indigenous Maasai community in Laikipia, Kenya, to assist it to record, digitize and com-

mercialize elements of its intangible cultural heritage and to manage IPRs in accordance with the community's overall goals and aspirations. This Project also works directly with museums, archives and other cultural institutions in developing countries to assist them to digitize and disseminate their collections and manage intellectual property issues while doing so.

6.8 Copyrights and new technologies

The purpose of the two 1996 WIPO treaties (the WIPO Copyright Treaty (WCT) and the WIPO Performances and Phonograms Treaty[18]) was to update and supplement the major existing WIPO treaties on copyright and related rights primarily in order to respond to developments in technology and in the marketplace. Since the Bern and Rome Conventions were adopted or last revised more than a quarter century ago, new types of works, new markets and new methods of use and dissemination have evolved. Among other things, both the WIPO Copyright Treaty and the WIPO Performances and Phonograms Treaty address the challenges posed by today's digital technologies, in particular the dissemination of protected material over digital networks such as the Internet. For this reason, they have sometimes been referred to as the "Internet treaties".

Both treaties provide the legal rationale for copyright owners to be adequately and effectively protected in the digital environment when their works and sound recordings are disseminated through new digital technologies and communication systems. They also create new online rights. For instance, Article 8 of the WIPO Copyright Treaty provides a right of communication to the public, "including the making available to the public of their works in such a way that members of the public may access these works from a place and at a time individually chosen by them". In addition, Article 6(1) of the Treaty provides an exclusive right to authorize the making available to the public of originals and copies of works through sale or other transfer of ownership, that is, an exclusive right of distribution. Such a right, surviving at least until the first sale of copies, is a powerful tool in the fight against piracy because it makes it possible for the officials in charge of enforcement to seize illegal copies where they find them in the marketplace, in addition to having to track down the person responsible for the act of reproduction, who often will not be the person offering the copies for sale to the public.

To maintain a fair balance of interests between the owners of rights and the general public, the treaties further clarify that countries have reasonable flexibility in establishing exceptions or limitations to rights in the digital environment. Countries may, in appropriate circumstances, grant exceptions for uses deemed to be in the public interest, such as for non-profit educational and research purposes. There are some issues to be dealt with in the context of the WIPO Development Agenda.

According to the WIPO treaties, countries are required to provide not only the rights described above but also two types of technological adjuncts to the rights. These are intended to ensure that right owners can effectively use technology to protect their rights and to license their works online. The first, known as the "anti-circumvention" provision, tackles the problem of "hacking": it requires countries to provide adequate legal protection and effective remedies against the circumvention of technological measures (such as encryption). The second type of technological adjunct safeguards the reliability and integrity of the online marketplace by requiring countries to prohibit the deliberate alteration or deletion of electronic "rights management information", that is, information usually in the form of metadata that may accompany any protected digital material and that identifies the creator or other owner of the work, performers, rights, and the terms and conditions for its use.

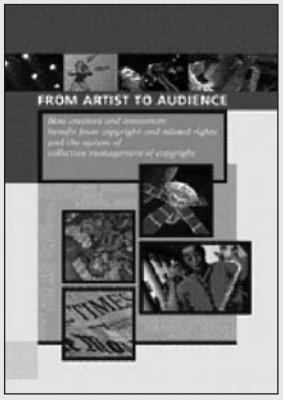
From a policy perspective, "anti-circumvention" and "rights management" technologies pose an important problem: content distributors are free to provide public-domain content in media that have "anti-circumvention" and "rights management" technologies in order to improve or enhance revenue streams. However, if the underlying content is public domain, hacking these technologies to rightfully access the content (in order to reuse, create derivative works, redistribute, etc.) becomes a copyright offence. Thus they may be seen

[18] A number of countries have implemented the provisions of the two treaties in their national legislation. The Collection of Laws for Electronic Access (CLEA) database of WIPO can be consulted to search copyright laws of a wide range of countries. It is available at: http://www.wipo.int/clea/en/index.jsp

as tools to reintroduce public-domain content into the domain of proprietary copyright under traditional restrictive licence. Such an extension does absolutely nothing for new talent and provides no incentives to current or future creators.

Additional problems relate to the notion that "anti-circumvention" and "rights management" technologies can be used to decrease the scope of "fair use". Clearly, making private copies for use in one's own household, while being an "exception and limitation" to copyright as discussed in part 6.4.4, becomes an unauthorized activity if the content is protected with "anti-circumvention" and "rights management" technologies.

Box 6.5 Collective management of copyright



"How is it possible to ensure that an individual musician is remunerated each time his song is played on the radio? Or a writer whenever his play is performed? How can the copyright and related rights of such creators be managed efficiently so as to enable them to concentrate on their creative activity while receiving the economic reward due to them?

"*From Artist to Audience*, a WIPO booklet produced in cooperation with the International Confederation of Societies of Authors [and Composers] (CISAC) and the International Federation of Reproduction Rights Organisations (IFRRO), aims to answer some of these questions by exploring one way in which the copyright and related rights system works, namely through the collective management of rights."

"From Artist to Audience (Publication No. 922) is available in PDF in English or French on the WIPO Free Publications website: www.wipo.int/freepublications/en/ "

Source: Quoted from "From Artist to Audience - Collective Management of Copyright", *WIPO Magazine*, January 2007. Available at: http://www.wipo.int/wipo_magazine/en/2007/01/article_0004.html .

6.9 Possible policy options

From the analysis of this chapter, it can be said that an efficient and fair international intellectual property system is in the interest of creators, creative industries and consumers in all countries, and the level of its implementation is often the subject of discussions in free trade agreements.

IPRs are territorial, which means that they are protected only in the country or region where protection has been applied for and obtained. Protecting intellectual property in export markets is crucial if a creator is to enjoy the same benefits of protection abroad as are enjoyed in the domestic market.

From the WIPO perspective, adherence to international instruments allows developing countries to have equal access to the markets of other member nations, and to ensure that their local creators' works are protected abroad. It allows the creation of a domestic creative-industry infrastructure that competes with foreign products. This helps to establish credibility in the global community.

Intellectual property provides incentives to creators and entrepreneurs in the form of a tradable economic asset – a copyright – that is instrumental for investing in the development, production and distribution of goods and services, in a market economy, that are largely based on human creativity. This in turn helps increase access to, and enhances the enjoyment of, culture, knowledge and entertainment all over the world. Ideally, under this system of rights, rights owners are assured that their works can be disseminated without fear of unauthorized use of their creative and intellectual products. In practice, viable enforcement is often a more critical issue than legal acknowledgement.

Increasing awareness of the contribution and potential of the creative sector for development is a major task. Protecting copyright is a public-policy goal of countries seeking sustained growth in the creative economy. The rich,

intangible cultural heritage of many indigenous and local communities and developing countries is a source of creativity that should be tapped for the direct benefit of these communities and countries.

Conversely, the inefficiency of intellectual property legislation and enforcement systems imperils the economic growth to which the creative industries contribute. Enforcement is as important as the education and awareness. Countries that wish to see their creative industries prosper must take a strong stance for the promotion of the full spectrum of copyrights and their licences, for the best way to expand the creative economy is to implement a balanced copyright framework that realizes their development potential. The right balance should be found by providing a spectrum of choices for creators and entrepreneurs on the one hand while enabling access to creative and intellectual content and the socio-economic and cultural benefits that such access provides on the other.

There are other views, however, reminding us that developing countries among themselves, are quite diverse in respect of their social and economic environment and capabilities, and the impact of copyright varies according to their socio-economic circumstances. Therefore, a tailored approach could take into account the diverse needs and capacities of developing countries and particularly the LDCs, and ensure that action is consistent with national objectives and development goals.

In theory, all countries tailor laws to fit their needs. However, while most developed countries have, in the past, molded their copyright regimes to suit their particular economic, social and technological situations, developing countries today have relatively less policy space available under the current international regime although they should better explore the flexibilities of the TRIPS Agreement.

Given this limitation and the concurrent need that intellectual property law must allow and even promote choice, and recognizing that there is no one-size-fits-all model, some alternatives should be considered, for instance, to develop and use copyrighted and other intellectual works that fall into the "some rights reserved" and "free/open" categories, in between the extremes of the "public domain" and "all rights reserved" works. This does not mean that traditional copyright works or the public domain should be disfavoured but that they may provide nuanced economic options to authors, innovators and entrepreneurs, be they individuals, organizations or firms.

In this sense, intellectual property can offer a range of tools that can address, in a complementary way, both economic and cultural concerns, reinforcing links between cultural values and cultural valuables. Using the full spectrum of rights options, the copyright system can serve to adequately balance the incentives and rewards to creators with the issue of access in a way that truly promotes creativity without entering into contradiction with international intellectual property conventions.

CHAPTER 7

Technology, connectivity and the creative economy

7.1 Introduction

The aim of this chapter is to examine issues relating to the interface between technology, culture and economics, highlighting the ways in which information and communication technologies (ICTs) may bring about changes in the creative economy. While the value of the extended use of ICTs and the potential challenges such as the digital divide have been much discussed, these debates have concentrated on output and access in general terms. Although issues pertaining to measurement of creative content will be addressed, the focus in this chapter is on exploring the implications of ICTs for the creative economy and creative production in particular. Arguably, the impact of ICTs will be greater on this part of the economy and society than on others for two reasons: digitization and convergence. Together these two forces generate two great opportunities: innovation and new business models. Finally, the potential increase in demand generated by falling costs of distribution as well as the declining use of physical carriers (e.g., a CD or a tape) will also be addressed.

Of course, this last element also includes a well-publicized source of debates: the challenge to copyright regimes. In principle, digitization presents no problems for copyright; historically, rights have been regulated via the control of physical goods and, more recently, via various forms of encryption. "Pure" digitization requires the development of secure, solely digital control of copyright. Indeed, over the past five years, this transition from physical to digital storage has been far from easy to manage for even the most technically, legally and electronically advanced countries and corporations in the world. Not surprisingly, it has proven very difficult for those in the developing world.

The essence of the challenge goes beyond the considerable problems of copyright; many creative-economy "products" are potentially digitized and thus subject to entirely new business models and need novel regulatory regimes. Even those that have their basis in a physical product, such as a craft object, may be subject to copying unless registered as intellectual property. Likewise, in the case of music, dance or theatre, these products can be recorded and copied. In both cases, this potentially creates vulnerabilities for developing economies and the class of goods and services known as "traditional cultural expressions". In essence, most creative-economy practitioners make their living from trading in ideas; intellectual property rights (IPRs) offer a possibility for them to earn "rent" on the use of these ideas. An unevenly developed, operated or governed intellectual property system carries with it many issues to all producers, and notably cultural producers, and especially those in the developing world, of not receiving adequate reward for their intellectual and labour investment in creative products and services. Second, a regulatory regime that only recognizes IPRs and a single business model is unlikely to be either successful or effective in the coming years.

7.2 Connectivity and its wider impact

The advent of digital and Internet-based ICTs has opened a new set of marketing and distribution opportunities, thereby boosting the economic potential of the creative economy. The ICT sector was recognized as a pillar of economic growth and competitiveness by the international community and most recently in the outcome of the

World Summit on the Information Society (WSIS). Paragraph 8 of the 2003 WSIS Declaration of Principles: Building the Information Society: a global challenge in the new Millennium states:

> "We recognize that education, knowledge, information and communication are at the core of human progress, endeavour and well-being. Further, information and communication technologies (ICTs) have an immense impact on virtually all aspects of our lives. The rapid progress of these technologies opens completely new opportunities to attain higher levels of development. The capacity of these technologies to reduce many traditional obstacles, especially those of time and distance, for the first time in history makes it possible to use the potential of these technologies for the benefit of millions of people in all corners of the world."

Research being carried out by UNCTAD affirms that ICTs contribute positively to economic growth in both developing and developed economies.[1] They boost productivity by improving the efficiency of individuals, firms, sectors and the economy as a whole. ICTs can also generate positive side effects in the economy through learning-by-doing, faster transfers of know-how and increased transparency. ICT adoption creates unprecedented opportunities for industries and businesses in developing countries to overcome the constraints posed by limited access to resources and markets. They also provide an opportunity for enterprises in developing countries to obtain better access to finance through improved online credit information structures. Most importantly, ICTs lower transaction costs and facilitate trade, thereby opening new international business opportunities. Developing countries with better and more efficient ICT infrastructure attract more foreign investment and outsourcing contracts and, generally, trade more.

ICTs play a vital role in advancing economic growth and reducing poverty. Such was the conclusion of a World Bank survey carried out in 56 developing countries, revealing that those using ICTs grow faster, invest more and are more productive and profitable than the others.[2] However, the report also reminds us that "ICTs are a challenge and a solution for the developing world".[3]

The European Commission launched the Lisbon i2010 programme, recognizing ICTs as the most promising sector of the economy in the region: ICTs account for 5.3 per cent of GDP and 3.4 per cent of the total employment in Europe.[4] One of the key targets of the Commission was to increase European Union investment in research on ICTs by 80 per cent, having broadband penetration and the rate of investment in ICT R&D as key indicators. Generally speaking, the opposite situation is found in developing countries. International Telecommunication Union (ITU) statistics reveal that broadband in Africa is practically non-existent, which reinforces the role of policy-making to deploy the required infrastructure for ICT development. Even in India, in spite of the prevalence of ICTs, broadband penetration in 2005 was not higher than 0.1 per cent. In Asia, just five countries scored more than 5 per cent broadband penetration, while in Latin America, the two best scores were from Chile (4.3 per cent in 2005) and Mexico (2.2 per cent). Finally, the digital divide is a problem and a consequence of the two issues mentioned earlier, calling for public intervention that promotes greater use of ICTs in developing countries. ICTs can amplify existing social and economic divides, however. The difficulties posed by a short supply of possibilities for access are increased by the lack of digital knowledge. Tables 7.1 and 7.2 provide an overview by segment of the size and impact of the global ICT sector.

Nations aiming to bridge the digital divide must address different issues at the same time since info-exclusion is not only a question of access and connectivity but also of content. As stated in a UNESCO report in 2005, "Whereas

Table 7.1 Contribution of segments of ICT industries to global GDP, 2003-2007

Segment	Contribution to global GDP (%)				
	2003	2004	2005	2006	2007
Telecom services	2.8	2.8	2.8	2.7	2.7
Telecom equipment	0.6	0.6	0.6	0.6	0.6
Software and computer services	1.8	1.7	1.7	1.7	1.7
Computer hardware	0.9	0.8	0.8	0.8	0.8
Television services	0.7	0.7	0.7	0.7	0.7
Consumer electronics	0.6	0.7	0.7	0.7	0.7
Total	**7.4**	**7.3**	**7.3**	**7.3**	**7.2**

Source: DigiWorld (2007:24)

[1] UNCTAD (2006). Using ICTs to achieve growth and development, background paper (document TD/B/COM.3/EM.29/2), 11 September 2006. Available at: http://www.unctad.org/en/docs/c3em29d2_en.pdf
[2] World Bank, *Information and Communications for Development 2006: Global Trends and Policies*. Available at: www.worldbank.org/ic4d
[3] UNCTAD, *Information Economy Report 2006: The Development Perspective*, p. 243. Available at: www.unctad.org/Templates/WebFlyer.asp?intItemID=3991&lang=1
[4] European Commission, *The Economy of Culture in Europe, 2006*. Available at: http://ec.europa.eu/culture/eac/sources_info/studies/economy_en.html

the Internet holds out the promise of an open system, in which the effects of distance and remoteness would temporarily become irrelevant, the digital divide serves to remind us that geography of the internet continues to exist". A study entitled From the Digital Divide to Digital Opportunities: Measuring Infostates for Development indicates that approximately one third of developing economies have a penetration rate of less than five per cent, keeping the have and have-not countries worlds apart. Currently, the progress made by most developing countries has not been enough to close the digital gap, which for a number of them is even wider today than it was a few years ago.[5]

Africa offers a good example of a situation where the highest growth rates in terms of Internet users are matched by the lowest penetration rates (since many countries in the region start from a nearly non-existent user base). With respect to broadband subscribers, high-income economies accounted for nearly three quarters of total broadband subscribers worldwide. Lower-middle-income economies accounted for 20 per cent (with China alone accounting for 87 per cent of these, or some 15 per cent of the global total). Low-income economies accounted for less than 1 per cent of total global broadband subscribers, with India and Viet Nam accounting for virtually all of these.[6]

Table 7.2 ICT industries global market, by region, 2003-2007

	2003		2004		2005		2006		2007	
	(in billions)	Market share (%)	(in billions)	Market share (%)	(in billions)	Market share (%)	(in billions)	Market share (%)	(in billions)	Market share (%)
Europe	660	30.3	699	30.3	736	30.0	773	29.8	799	29.2
North America	732	33.6	768	33.3	810	33.0	844	32.5	882	32.2
Ásia-Pacific	600	27.6	649	28.2	693	28.2	739	28.4	791	28.9
Latin America, Africa, Middle East	186	8.5	189	8.2	217	8.8	243	9.3	266	9.7
Total	**2,178**	**100.0**	**2,305**	**100.0**	**2,457**	**100.0**	**2,598**	**100.0**	**2,739**	**100.0**

Source: DigiWorld, 2007.

Table 7.3 Internet penetration, by regional economic group, 2002-2006

	Internet users per 100 inhabitants				(Change (%)	
	2002	2003	2004	2005	2005-2006	2006
World	10.0	11.4	13.6	15.6	10.9	17.3
Developed economies	42.0	44.7	51.3	54.8	6.3	58.2
Asia	45.0	46.8	60.2	64.6	2.6	66.3
Europe	32.2	36.2	40.4	43.3	10.4	47.8
North America	54.1	55.1	62.4	66.0	3.7	68.4
Oceania	52.6	56.3	64.2	70.0	8.1	75.7
Developing economies	4.2	5.3	6.6	8.4	16.1	9.7
Africa	1.3	1.8	2.6	3.7	27.3	4.7
Asia	4.3	5.5	6.8	8.4	14.8	9.6
Latin America and the Caribbean	8.2	9.8	11.6	16.0	17.1	18.8
Oceania	2.8	3.2	3.6	4.0	10.1	4.4
Economies in transition	4.1	7.3	11.1	13.0	25.6	16.3

Source: UNCTAD calculations based on the ITU World Telecommunication Indicators Database, 2006, in UNCTAD *Information Economy Report 2006*.

Mobile telephony, however, has become the most important mode of telecommunication in developing countries. Internet access has become a reality for many businesses and public institutions and for individuals with higher levels of education and income. For the vast majority of low-income populations, mobile telephony is likely to be their single most relevant communication technology. Much like the Internet, it helps to create business opportunities, enables efficient sharing of information and knowledge, and empowers households and communities with information. Many developing countries are quickly catching up or in some ways have even surpassed developed countries since mobile connectivity sidesteps some important obstacles to other types of connectivity such as the costly and time-consuming deployment of fixed-line infrastructure owing to the remoteness of underdeveloped areas. In Africa, mobile phones have proved so successful that in many cases, they

[5] G. Sciadas (ed.), *From the Digital Divide to Digital Opportunities: Measuring Infostates for Development.* Orbicom, 2005. Available at: www.itu.int/ITU-D/ict/publications/dd/material/index_ict_opp.pdf

[6] ITU/UNCTAD, *World Information Society Report 2007: Beyond WSIS*, available online at: www.itu.int/wisr.

Table 7.4 Mobile phone penetration, by regional economic group, 2002-2006

	Mobile phone subscribers per 100 inhabitants					
	2002	2003	2004	2005	2005-2006	2006
World	18.80	22.47	27.58	33.43	21.38	40.58
Developed economies	64.10	69.60	77.10	83.31	8.99	90.80
Asia	65.22	69.32	73.33	76.15	7.17	81.61
Europe	75.17	81.39	89.73	97.78	6.76	104.39
North America	47.74	52.65	60.27	65.20	15.10	75.05
Oceania	63.72	71.11	81.49	90.74	5.06	95.33
Developing economies	10.55	13.59	17.58	22.65	30.08	29.47
Africa	4.49	6.12	8.98	14.73	39.24	20.51
Asia	10.73	13.90	17.50	21.54	30.50	28.11
Latin America and the Caribbean	18.87	23.29	31.84	43.09	24.14	53.50
Oceania	3.36	4.16	5.72	7.51	2.81	7.72
Economies in transition	11.97	20.64	37.65	55.94	23.86	69.29

Source: UNCTAD calculations based on the ITU World Telecommunication/ICT Indicators Database, 2007.

have replaced fixed lines. Given the increasing penetration of mobile phones in the developing regions, the role of ICTs in fostering the creative economy will not only be related to information access and data sharing but also to new multimedia creations. Table 7.4 shows the penetration of the global market for mobile phones by regional economic groups.

This positive impact of ICTs on developing countries is counterbalanced by a number of factors besides physical access that contribute to the disparities between developed and developing countries. Apart from the appropriateness of the products, their costs or the regulatory framework governing ICTs, there is an important knowledge gap in the skills required to understand, absorb and act on the information available on the Internet. The low level of formal education among the lower-income populations in many countries in Africa, Asia and Latin America is an absolute barrier to ICT use and adoption. This problem relates to: (a) education, since technical skills as well as basic literacy (linguistic, numeric and computer) are needed in order for people to benefit from ICTs; (b) language, since the dominance of English on the Internet is a problem for many populations in developing countries; and (c) human resources, since ICT professionals and technicians are highly sought after in the developed world, leaving a dearth of these skills in the developing countries.

7.3 Measurement issues and creative content

Many measurement issues in the creative economy are not exclusive to the ICTs, but. certain specificities apply. Besides the lack of availability of data, collected data are not always comparable across countries. As was highlighted by the UNCTAD *E-Commerce and Development Report 2004*, "this calls for collective action at the international level to coordinate the methodological work and to work towards a global database of ICT indicators".

Given the fact that this type of interaction touches on all aspects of economic and social life, there is a need to develop data and empirical analysis of current ICT developments. To start measuring the information society, a taxonomy is needed that provides indicators for tracking the progress of ICTs in a staggered process, first by measuring e-readiness, then the intensity of ICT usage and, finally, the impact and outcomes of ICT on business organizations, the creative economy and the economy as a whole. ICT indicators understandably reflect some of the

Table 7.5 Interconnected dimensions of digital life: Enablers, communications, content and transactions

Dimension	Technology and/or service
Digital enablers	Mobile broadband Fixed broadband Portable Internet
Digital communications	Voice Messaging Social networking
Digital content	Global knowledge web Sights and sounds Adult content and gambling Online gambling User-generated content Content-aware services Digital homes
Digital transactions	Contactless payment systems Mobile payments

Source: Adapted from the International Telecommunication Union, *digital.life,* ITU Internet Report 2006.

issues concerning measurement of the creative economy. Though a few indicators are easily mapped – such as those relating to infrastructure and access – others, more complex, are still largely unavailable. Underlying this issue is the notion of four interconnected dimensions of the information society: digital enablers, digital communications, digital content and digital transactions. These interconnected dimensions of digital life and related technologies and services are shown in table 7.5.

Generally speaking, the most common core ICT indicators can be grouped into four sets, following the methodology developed by the Partnership on Measuring ICT for Development.[7] The vast majority of these parameters refer to the availability of infrastructure and access to ICTs and the

Table 7.6 Partnership on Measuring ICT for Development: Core ICT indicators

Infrastructure and access	**Basic core**
	Fixed telephone lines per 100 inhabitants
	Mobile cellular subscribers per 100 inhabitants
	Computers per 100 inhabitants
	Internet subscribers per 100 inhabitants
	Broadband Internet subscribers per 100 inhabitants
	International Internet bandwidth per inhabitant
	Percentage of population covered by mobile cellular telephony
	Internet access tariffs (20 hours per month), in $, and as a percentage of per capita income
	Mobile cellular tariffs (100 minutes of use per month), in $, and as a percentage of per capita income
	Percentage of localities with public Internet access centres by number of inhabitants
	Extended core
	Radio sets/100 inhabitants
	Television sets/100 inhabitants
Access to, and use of, ICT by households and individuals	**Basic core**
	Proportion of households with a radio
	Proportion of households with a TV
	Proportion of households with a fixed line telephone
	Proportion of households with a mobile cellular telephone
	Proportion of households with a computer
	Proportion of individuals who used a computer (from any location) in the last 12 months
	Proportion of households with Internet access at home
	Individuals who used the Internet in the last 12 months
	Location of the individual use of the internet in the last 12 months
	Internet activities undertaken by individuals in the last 12 months
	Extended core
	Proportion of individuals with use of a mobile telephone
	Proportion of households with access to the Internet by type of access
	Frequency of individual access to the Internet in the last 12 months (from any location)
Use of ICT by businesses	**Basic core**
	Proportion of businesses using computers
	Proportion of employees using computers
	Proportion of businesses using the Internet
	Proportion of employees using the Internet
	Proportion of businesses with a Web presence
	Proportion of businesses with an intranet
	Proportion of businesses receiving orders over the Internet
	Proportion of businesses placing orders over the Internet
	Extended core
	Proportion of businesses using the Internet by type of access
	Proportion of businesses with a Local Area Network (LAN)
	Proportion of businesses with an extranet
	Proportion of businesses using the Internet by type of activity
ICT sector and trade in ICT goods	Proportion of total business sector workforce involved in the ICT sector
	Value added in the ICT sector (as a percentage of total business-sector value added)
	ICT goods imports as a percentage of total imports
	ICT goods exports as a percentage of total exports

Source: UNCTAD, *Information Economy Report 2006*: The Development Perspective, pp. 154-156. Available at: http://www.unctad.org/en/docs/sdteecb20061_en.pdf.

[7] The Partnership brings together experts from ITU, UNCTAD, UNESCO, the Economic Commission for Africa (ECA), the Economic Commission for Latin America and the Caribbean (ECLAC), the Economic and Social Commission for Asia and the Pacific (ESCAP), the Economic and Social Commission for Western Asia (ESCWA), EUROSTAT, OECD and the World Bank.

use of ICTs either for individuals or businesses. Broadband expansion, for instance, is seminal to boosting the development of knowledge-sharing in the creative economy, and the numbers of employees using computers reveal not only access to computers but also computer literacy. The last row, digital transactions, adds an economic perspective to the data set. Having undeniable usefulness, these indicators are the first step towards a more complex analysis of ICTs, which is likely to be in the realm of the Partnership on Measuring ICT for Development initiative.

There is a need to understand how infrastructure and access are being used. Indicators such as online purchases and sales allow a comparative analysis of the performance of digital markets vis-à-vis traditional channels. In the case of the creative industries, for example, according to the International Federation of the Phonographic Industry (IFPI), Internet music sales showed a consistent increase in share across the markets. In Germany, sales of physical media products (CDs and DVDs) via the Internet reached 15 per cent of the market and 10 per cent in the United Kingdom in 2005. This coincided with a drop in sales through traditional retail stores although in most markets, record stores still account for the majority of sales.[8]

7.4 ICTs and their impact on the creative economy

The general scenario of the impact of ICTs has been well reviewed; however, the specifics of this debate – how ICTs may have a variable impact on some activities and not others – has been less well examined. As noted earlier, it is our hypothesis that ICT development will have a disproportionate impact on the creative economy. The reasons for this impact relate to the specific potential for transformation of the creative-economy production processes; issues related to the production chain will be further analysed in a subsequent section.

ICTs have enormous power to leverage the development of new links in the value chain in virtually all creative industries, albeit at different levels. The key concept underpinning these changes is "digital convergence", which can be of three types: technological convergence (a shift in patterns of ownership of media, such as film, television, music and games), media convergence[9] (allowing users to consume different media at the same time using a single personal computer) and access convergence (all production and distribution of media and services are being re-engineered to work on a distributed network platform, i.e., everything is becoming available or doable on the Internet).

Digital convergence and its manifestation through increasingly interlinked and interoperable online technologies are driven by consumers and by suppliers. A recent report published by ITU states that "…the market environment increasingly resembles a digital 'ecosystem' in which companies must cooperate to provide jointly provisioned services at the same time as they compete for resources and for markets. Equally, customers become suppliers and suppliers become customers in evolving relationships of bewildering complexity."[10] From mobile content on demand to online art auctions, the new features of the value chain emerge at a very fast pace.

The spillover effects of these shifts in developing countries seem to be quite limited, though, owing mainly to the fact that generalized ICT access and use remain lower than in developed countries. Compounding the problem is the fact that major media and content producers are large multinational companies from developed countries, and it follows that this is where most of the value-added activities are generated. It is sufficient to check the list of the top 20 companies in the audiovisual and video-games industries to realize that they are all based in Europe, Japan or the United States – the same group responsible for most of the exports of selected creative goods and services, with Europe (the 15-member European Union, or EU-15) alone accounting for 52 per cent of all reporting countries.[11] It is worth mentioning that 17 out of the leading 20 audiovisual enterprises worldwide are mainly or partly active in broadcasting, thus benefiting twice from technological convergence and making profits in both markets.[12]

[8] International Federation of the Phonographic Industry, *Digital Music Report 2005.*
[9] Jenkins, Henry, *Convergence Culture: Where Old and New Media Collide.* New York University Press, 2006.
[10] ITU, *Digital.life – ITU Internet Report 2006*. Report is available at: http://www.itu.int/osg/spu/publications/digitalife/
[11] UNESCO, International Flows of Selected Cultural Goods and Services, 1994-2003: Defining and capturing the flows of global cultural trade, Montreal, 2005. Available at: www.uis.unesco.org/template/pdf/cscl/IntlFlows_EN.pdf .
[12] KEA, European Affairs (2006), *The Economy of Culture in Europe.*

7.5 Digitization

Until recently, the mode of transmission and storage of information on the creative economy was analogue. ICTs, however, allow a new form of recording of information: digitization. Digitization is significantly different in two ways. First, the various forms that were previously separate (sound, images, texts) have the same basic format and are thus potentially integrated into one medium. Thus, the same editing techniques and similar software can be used. Additionally, different media can be combined in the same format. This integration, when based on the same platform, enables a totally new field of convergent media. This has both artistic and business possibilities and represents a significant field of potential innovation. Second, the common digital basis of information allows it to be easily communicated and transferred with no degradation of the original, in fact, in an exact copy of the original. This aspect has huge implications for the distribution and copying of digital works (as well as the digital transformation of analogue works). The digital format means that novel editing and integration of media, previously unimagined, can be achieved. Again, this has opened up the possibility of altogether new art forms as well as the transformation of existing ones.

The economic implications of ICTs generally have been discussed in the context of debates about the "new economy". The claimed impact concerns cost-free reproduction and distribution, and perfect copies; it is claimed that, in effect, this creates a new mode of economics different from that based upon physical distribution and manufacture. Second, as indicated earlier, there is the possibility of novel products. Some authors have hypothesized that the use of ICTs will remove the need for face-to-face interactions, and the co-location that follows might minimize transport costs. This has been referred to as "the death of distance". These spatial implications have been challenged on the basis that the production of intellectual property still involves labour and the transformation of intellectual property. As such, there may still be specific co-location effects associated with embodied skill and expertise in labour markets and in physically embodied knowledge exchange. In fact, evidence points to a renewed importance of place in the digital age (namely, creative clusters).[13] As such, while there is potential for the developing world, there is also the threat that divisions of opportunity may be further hardened. However, to answer this question fully, we need more analysis of the nature of changes in creative-economy production and the particular character of the transformation of production and value chains.

7.6 Convergence and new business models

Clearly, since much of the output of the creative economy can potentially be digitized, it is likely to experience a disproportionate impact and transformation. Another aspect of this transformation is the development of new business models, market structures and governance. New business models are made possible at the simplest level by the closer integration of separate product lines (books, films and music, for example). Of course, it is notable that the media already display a striking concentration of ownership and power (see table 7.7.) Most major media organizations aspire to be "convergent organizations".[14] The major objective is that these convergent organizations are to be traders and users of IPR rights that may be "re-purposed" (or reused) from one medium to another (for example, a cartoon character in a computer game, a film, a book, a toy or on a piece of clothing). This in effect multiplies the possibilities of exploitation of intellectual property from a single investment in addition to the traditional monopoly profits possible in the medium.

Digitalization creates a number of possibilities for distribution. This will be discussed later in the chapter. The key point to note, however, is that with analogue distribution systems, reproduction leads to degradation of the product; hence it is less than the original and declines further with the number reproduced.

[13]See A.C. Pratt (2004), "Creative Clusters: Towards the Governance of the Creative Industries Production System?", *Media International Australia: Culture and Policy* 112:50-66.; A.C. Pratt (2000), "New Media, the New Economy and New Spaces", Geoforum 31:425-436.
[14]The merger of Time Warner and AOL was the first and best publicized of these mergers.

In digital terms, reproduction is infinite and incurs no extra cost per item. This therefore opens up the possibilities for infinite expansion of markets and the reduction or lack of need for warehousing and storage of products. One of the key dilemmas for any creative producer is how to deal with the uncertainties of demand and the need to maximize economies of scale by concentrating production in as few items as possible so as to reduce stockholding and excess production costs. These functions must commonly be combined with the physical transfer and exchange of goods, i.e., distribution. For obvious reasons, distributors seek to manage their stock by restricting choice to the best sellers. Many mechanisms are used to achieve this, but charts are a common way to organize and focus consumers. In a digital age, however, it is potentially possible for producers and consumers to be in direct contact, thereby bypassing the control of the gatekeepers of the distribution system, which are economically powerful.

Moreover, as stockholding costs are minimal for digital products, maximum choice is available; this is called the "long tail" hypothesis. In the long term, however, the potential for monopoly profits are reduced, hence posing a threat to the current media structure. Significantly, this opens up possibilities for small producers. Under such a system of direct micro-payments, it may be that profits are simply spread thinly and hence little traditional benefit from the creative economy will be realized. Clearly, this is a huge area for future debate. Such a situation has led to the use of new business models to exploit these new possibilities (e.g., with respect to music) and it has been suggested that with these new options, there may be a variety of models – e.g., free music – offering possibilities for making money from different aspects of the business. The real issue is the challenge that these activities (which are not understood or regulated) pose to governance and to how intellectual property is to be used and regulated since this requires an enormous investment in infrastructure.

Increased access to information gives global breadth and depth to the mapping of suppliers, buyers and outsourcing possibilities. Therefore, ICTs may play a major role in this transformation process, reducing costs, improving productivity in the value chain and making companies more visible in the global market. This contribution is more evident in subsectors depending on technology at their very core (software, games, multimedia content). However, even in the more traditional, less technology-driven industries such as handicrafts, ICTs open new ranges of trade for services previously not traded, inaugurating distribution channels and generating innovative production forms.

Finally, the possibility of delivering services online rather than through a physical presence allows developing countries to benefit from their comparative advantage in some ICT-enabled labour-intensive services. According to the UNCTAD *Information Economy Report 2006: The Development Perspective*, the share of enterprises purchasing online in 2004 ranged between 20 per cent and 60 per cent in OECD countries, while the share of enterprises selling their products online ranged between 10 per cent and 20 per cent. In developing countries, online selling ranged from 1 per cent of enterprises in Chile to 35 per cent in Qatar and 37 per cent in Argentina, indicating that there is still much room for the growth of e-commerce in the total turnover of economies.

Table 7.7 Top 20 audiovisual companies worldwide and their 2004 turnover

Rank	Company	Country	Turnover (in millions of $)	Turnover (in millions of $)
1	Walt Disney	United States	23,002	18,402
2	Viacom	United States	21,374	17,099
3	Time Warner	United States	20,907	16,726
4	Sony	Japan	16,006	12,805
5	Vivendi Universal	France	15,494	12,395
6	News Corporation	Australia	14,417	11,534
7	NBC Universal	United States	12,900	10,320
8	The DirecTV Group Inc.	United States	11,360	9,088
9	Bertelsmann	Germany	10,113	8,090
10	Liberty Media Corp.	United States	7,682	6,146
11	BBC (Group)	United Kingdom	7,250	5,800
12	ARD	Germany	7,131	5,705
13	NHK	Japan	6,272	5,018
14	Blockbuster Inc.	United States	6,053	4,842
15	Nintendo	Japan	4,816	3,853
16	Mediaset	Italy	4,813	3,850
17	RAI	Italy	4,253	3,402
18	ITV PLC	United Kingdom	3,963	3,170
19	TFI	France	3,900	3,120
20	France Televisions	France	3,791	3,033

Source: KEA, European Affairs (2006), *The Economy of Culture in Europe* with figures from the European Audiovisual Observatory.

Box 7.1 When ICTs give rise to new business models

For every action, there is an equal and opposite reaction. ICTs and the creative economy seem to form the perfect ground for the validity of Newton's third law. The more concentrated the audiovisual and music markets become in the hands of a few transnational conglomerates, the more alternative business models emerge. Back in 2000, the music sector was revolutionized by peer-to-peer file-sharing programmes such as KaZaA and Napster, which by 2001 had conquered no less than 3.5 million users.

As creativity seems to reinvent itself, a similar business model was created with Skype. Sold to eBay for $2 billion in 2005, it is now being applied to Joost Internet TV, with a promise to disrupt the oligopoly of the television industry.

By the same token, a myriad of open-source initiatives mushroom in other creative-economy markets, presenting more humble turnovers but provoking a shift in mindset on all continents. In Mexico, *Tortillería Editorial* is an association of authors, professionals and beginners who decided they would not have much control over their books if they were to follow the usual publishing-house circuit. As a reaction, they created a mix of database, software and site where they share their books and writings, allowing any user to generate, print and sell them. In 2007, it reached more than 4,000 texts and hundreds of authors.

In Brazil, a country holding a good record in time spent on the Internet, Web 2.0 is facilitating the spread of open-source software. Overmundo, a Government-funded project, was commissioned to ensure the alternative cultural coverage, mainly outside the São Paulo-Rio de Janeiro axis. Incorporating strong community participation, users are responsible for its content and design. Overmundo became a cultural database of Brazilian culture at the global level and receives more than 700,000 references via Google. Not surprisingly, it won the Prix Arts Electronica International Competition for CyberArts in 2007.

7.7 Impact across the production chain

The use of ICTs can potentially have significant impact on all steps of the production chain: conception, production, distribution, access to audience, and engagement in feedback from the audience/market; the specificities are different for each specific production activity in the creative economy. The aim of this section is to provide some illustrative examples of impact across the production chain. The point is that new ways of making money or developing audiences are possible with digitization and new business models. The future direction is uncertain, however; there is potential instability for all cultural producers in the years ahead as well as huge potential growth. The new systems have the potential to undermine what have become, in the last 50 years or so, the normal ways to organize, say, music or film production and distribution. Understandably, those corporations that currently occupy key positions in such a system will seek to defend the "old ways".

Recent shifts in the music industry provide examples of the challenges likely to be faced by creative producers in adopting new ways of doing business. The old model of the music industry has production and distribution at the centre, with the objective of promoting and selling huge numbers of a small range of music. This channels monopoly profits into music companies and ensures very high intellectual property returns (for a small number of bands). This process reduces stockholding costs and increases profitability although it is risky when it is unclear whether a hit or a miss is likely to be achieved from any one recording (although marketing can influence this situation enormously). This is why in music, as in film, companies expect a large percentage of failure to be discounted by a small number of super successes. Thus, in this system, intellectual property is a key means by which artists can make money through recording and by which music companies can target their production, distribution and sales as much as possible.

This model is based on a world of physical products; the new model is based on virtual products where storage costs of digital files are practically zero and a potentially infinite range of music can be available to the consumer. In fact, the role of the music companies to promote and focus consumers could be bypassed altogether if artists were to sell directly to their audience. Of course, by exploiting the "long tail" of products, any one artist is likely to make small returns from intellectual property and the same is true for the music companies. For the latter, the old economics of the extra administrative costs of managing a large number of artists and the costs of recording, etc. will be an incentive to create a "short tail" or limited range of products. In such a situation, it may be logical for artists to focus on activities that make money, that is, live performances and the merchandising opportunities

that these afford. In this way, they can earn a modest income. Moreover, since they are not relying primarily on income from intellectual property, it is logical that they reduce the price of their product, or give it away, in order to generate demand and attendance at concerts. Of course, they would still want to copyright the work to sell it directly to the public.

This example is instructive in that it shows how the significance of intellectual property may change from its role as income generator to one of simple protection and moral right under different conditions of production. The balance of power might shift from large companies to independent producers; in short, the business model is turned upside down: in the past, the tee-shirt was seen as the extra element or souvenir of a concert whereas now it may be the major income stream. While this is an example of an actual situation, it does not mean that this is the necessary or general future of the music industry or any other industry; it simply demonstrates the complex and destabilizing possibilities of ICTs in the cultural field.

A step-by-step exploration of the production chain reveals other areas of potential transformation. Initial conception is on the one hand more difficult in the sense that many new digital applications require knowledge and access to computing resources and skills. Beyond this, however, the barriers are low. With a simple video camera and editing software, a modest film can be produced in the home; the same applies to most digital forms. Moreover, these "one-offs"' can be easily and exactly manufactured, replicated and distributed, with minimal costs, directly from the producer (without the need for intermediaries).

Perhaps the most striking example of the potential of new production is the development and use of free and open-source software (FOSS).[15] Created through a process of sharing knowledge through exchanging source code – the instruction set behind a computer programme – FOSS programmes are today provided and maintained by a range of ICT experts ranging from individuals to corporate giants, such as Sun Microsystems or IBM. FOSS programmes can have a particular significance for developing countries as well as for shaping our understanding of creative processes and endeavours. There is a large range of innovative FOSS software that enables the owner of a basic personal computer to engage in what was, until recently, possible only with studio-quality production.

Traditionally, distribution and exchange were specialized, expensive and exclusive services that had strong gatekeepers in the form of publishing and distribution companies to protect profitability. As has been discussed, it is technically possible to bypass such systems altogether, or construct alternative or parallel systems, or develop multi-stranded versions of the old systems. The particular resolution of this distribution issue has a profound impact on the cultural sector and the sustainability of creative industries. With some justification, it has been said that commercial distribution narrows choices and focuses on the commercial exploitation of products. As we have noted, the old business model forces production in this direction. Perhaps, however, we are at a branching point where a range of distribution systems might be entertained as possibilities, some closer to the old, narrow system, some closer to the "free for all". Without doubt, the challenge for the creative economy will be to actively engage with this debate. The danger is that, in the absence of this debate, the financial power and the pressure of the risk-minimizing "old model" may create a future for creative production that is as narrow as, or even narrower than, that which we currently have.

Critically, the possibilities for greater engagement for the developing world lie in there being a wider range of culture available and on sale. There is a balance, however. If there are no monopoly profits, then the super profits that buoy the creative economy will not exist. Thus, in this period of growing consumption, a step change must be effected to achieve some modest redistribution. Arguably, this change is a complex cocktail of regulation and governance; it will not be achieved by the total clampdown on piracy or via a global cultural commons.

This raises the issue of the governance of transition between the existing models. At present, countries that have poorly developed intellectual property regimes are vulnerable to theft, not simply local theft but international theft and then copyrighting by third parties. This is legal but immoral. One possibility, among the options available, is to incorporate traditional cultural expressions (TCEs) under copyright law, not by statute but through common practice. There have been a number of initiatives established to create digital archives of dance, music, oral narrative, etc. While these may not have the same formal recognition as registering copyright, they are a first protective step that could be done at a low cost. Moreover, such collections would also have intrinsic value to both local and international communities. While free for locals to use, such an archive might charge outsiders for use, providing a form of revenue and legal protection.

[15] UNCTAD, *E-Commerce and Development Report 2004*.

Box 7.2 Free and open-source software and the creative economy

The development of the creative economy relies to a certain extent on digital information and communication technologies (ICTs) that have, on their own, been widely recognized as important pillars for economic and social development, most recently within the WSIS process and its outcomes.[1] While access to network infrastructures and hardware technologies is fundamental, it is also insufficient. Access to software and the knowledge needed to understand, adapt and use it is critical if digital technologies are to achieve a positive development effect. Specifically addressing the issue of software helps to refocus policy and development thinking towards the human element. After all, software is the interface between cold digital hardware and the impulses of creative and innovative individuals. The development and production of software itself are a fundamentally creative and conceptual effort of problem-solving and design.

Free and open-source software (FOSS) is software that does everything that other software does. It is used for writing text, email, Internet browsing, spreadsheets, statistics and data management, etc. There are many programmes that can be used in music and audiovisual production. The opposite of FOSS is proprietary software. Proprietary software, through copyright law and end-user licences, forbids users to copy, redistribute or alter the software and permits use only as narrowly specified within its particular licence.

What is FOSS?

FOSS is different from proprietary or closed-source software in three important ways, which are interlinked and interdependent.

1. FOSS has distinct copyright statement and end-user licences. FOSS licences permit users to copy and redistribute the software without restrictions. The most popular licence, the so-called General Public License (GPL), imposes a unique restriction: all copies, regardless of how much the software has been altered, must also use the GPL and thus permit perpetual unrestricted copying.
2. FOSS licences require that authors of a particular software programme make the source code publicly available. The source code is the software written out as ordinary text in a programming language. Access to the source code allows anyone to copy or technically alter the performance and features of a programme. It also allows young computer scientists to learn how a world-class software programme is designed and developed.
3. Finally, FOSS generates important positive economic externalities. It reduces cost redundancies in redeveloping similar software, in particular when this is procured by public bodies or government. It reduces the risk of being locked in by a vendor selling a proprietary software product and seeking monopoly rents. FOSS also reduces the risk of vendor failure, whereby the producer of a proprietary software ceases to do business but does not release into public domain the source code of the software, making it unserviceable in the future and impossible to upgrade and follow advances made in the other computer hardware and software. It reduces market imperfections and promotes greater competition among ICT service companies that can, using FOSS, compete on quality of service and competence since it is not possible to charge rents from copyright monopolies – these simply do not exist for FOSS. Finally, FOSS permits "looking under the hood" and allows better and faster technological capacity development in ICT and computer science.

There is nothing in any FOSS licence that forbids anyone to sell any FOSS programme. However, many companies that market FOSS programmes actually sell only the service component while the licence is free. In general, in the software business, the service component accounts for more than half of the revenues of most software companies anyway. Thus, providing FOSS on a commercial basis does not represent a significant shift in the business model for the ICT industry.

Any software, FOSS or proprietary, can be commercial. Commercial means "available on the market and used in a commercial, for-profit environment". Proprietary software companies will sometimes try to distinguish their software as "commercial" as opposed to "FOSS". This is a marketing strategy meant to convince buyers that there is a "commercial" grade or quality that is lacking in FOSS. Nothing could be further from the truth: the most robust and technically advanced software programmes as used by Yahoo.com, Google.com, NASA, many ministries of defence (including the Pentagon), academic and research institutions (the European Organization for Nuclear Research (CERN), the Massachusetts Institute of Technology), and ICT industry behemoths such as IBM or Sun Microsystems are FOSS.

Importance for developing economies

The advantages for developing economies in developing and using FOSS are big and important.

1. FOSS reduces dependency on expensive and imported proprietary technology and the accompanying ICT consultancy services that are often tied up with various non-disclosure agreements.
2. FOSS, through its open code and public licences, promotes knowledge-sharing, technology transfer and unrestricted cooperation in knowledge and technology development and use.
3. FOSS enables the development of local human capacity and home-grown ICT service industries that can become more than merely fronting businesses selling imported technology.
4. FOSS is economically more efficient because of the positive economic externalities that it generates as described in the previous point.
5. As the main cost involved for using any software is the service component and because FOSS allows local computer experts to learn to work with and service FOSS programmes, FOSS is more affordable than non-pirated – i.e., legal – proprietary software alternatives for the vast majority of developing economies.

Box 7.2 continued **Free and open-source software and the creative economy**

6. FOSS is fully intellectual property-regime compliant: it needs and uses copyright to maintain and promote its openness. While its spirit is anti-restrictive, it does not confront current intellectual property from a formal, technical or legal perspective. Countries, institutions, businesses and individuals that switch from using pirated software to FOSS work to fulfil their obligations as designated by WIPO and WTO/TRIPS conventions and agreements
7. FOSS promotes good governance: It means that public data will be kept in public data-formats and managed by software the source code of which can be inspected and verified by independent bodies. This is immensely important in applications such as taxation, voting or military and defence use.
8. FOSS promotes the use of open standards and this improves interoperability among different software programmes, thereby reducing the costs when these need to be made to work together – such as merging databases or establishing common project or financial management systems.
9. FOSS allows easy localization. Any FOSS programme can be translated and altered to suit the linguistic, cultural, commercial and regulatory needs and requirements of any location, all without having to seek permission from the original authors or exchanging terms and conditions while using (expensive) legal intermediaries and consultants.
10. Many experts feel that FOSS is more secure, more reliable and more stable than proprietary software. While the debate is inconclusive, what is sure is that FOSS problems can be fixed locally by local experts.

The international community should promote the idea that government policy bodies need to be aware of FOSS and include it in their ICT and e-strategy programmes, in e-governance activities and in procurement policies. More importantly, it should promote the notion that when Governments choose a particular technology, the decision to select FOSS or a proprietary (or mixed) solution is an important policy issue and not a purely technical, practical or cost consideration.

Because FOSS generates important and positive economic externalities, software choice – and technology choice in general – should not be relegated to oversimplifications and assessments along the lines of "what works" (even though FOSS actually works better most of the time) or how costs compare from an accounting perspective. Accounting "analyses", often referred to as "total cost of ownership" or TCO calculations, are notorious for ignoring local economic conditions as well as positive externalities, such as the development of local human capital through FOSS use. Therefore, while the decision to use FOSS initially is often understood to be a technology-awareness issue, it finally becomes an important policy issue.

FOSS and LDCs

While ethical principles, skills development, compliance with international copyright conventions and national law, public-data governance and better security are often cited as key reasons for adopting a positive policy stance towards FOSS use, for LDCs, cost issues can be a primary concern. While in developed market economies proprietary licence fees may constitute as little as 5 to 10 per cent of total costs of running a computer resource – with administration, maintenance, integration and support, and hardware representing the rest – in low-income economies, licences may represent the bulk of total costs. This is owing to the fact that aside from hardware and licences, all other costs are essential, non-tradable, labour-intensive services and these demand correspondingly low wages in LDCs. While hardware costs are manageable to some extent through bulk purchasing from original equipment manufacturers, using thin-client technologies[2] or recycling outdated hardware from developed market economies, FOSS offers an opportunity to avoid paying licence fees altogether.

[1] See: http://www.itu.int/wsis/index.html .
[2] A thin client is a minimal, stripped-down computer and software combination that depends primarily on a powerful central server for data processing and memory and therefore serves mainly as an input-and-output device between the user and the central server.

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7.8 Looking into the future

The emergent theme of this chapter is that the impact and effects of the adoption and use of the ICTs are likely to be amplified in their impact on the creative economy. The precise impact is complex, varying by industry and by the organization and means of incorporating and using ICTs in creative production. Critically, this change opens up a window of opportunity to develop new production and distribution systems that might promote a real expansion of democracy and diversity in cultural productions, and to create new and interesting business models and opportunities. In contrast to this is the historical and vested interest of the media industries dominated by powerful players. It is clear that a business-as-usual agenda may deliver pronounced increases in inequality, access and range of cultural offerings.

The real challenge will be to develop new forms of governance in the creative economy that will support and encourage the positive and minimize the negative effects.

The creative industries are clearly well placed to benefit enormously from the development of ICTs. However, there are a number of challenges that will need to be carefully managed. First, the creative economy often lacks professionals in financing and accounting that would enable it to approach financial institutions and claim for funding. Second, SMEs normally face legal uncertainties relating to cross-boarder e-commerce and the need to keep up to date on the dynamics of e-commerce legislation.[16] Third, investment and commercial banks are not always prepared to value intangible assets. This is a veritable lose-lose situation as companies find it hard to prove the financial potential of their creative products and services and investment and financial institutions do not increase their portfolio of clients. Smaller creative companies must then refer to a mix of internal and external financing sources. A recent Canadian study revealed that approximately 57 per cent of cultural SMEs have sought debt financing during the last two years, 80 per cent of which were successful in obtaining debt capital from financial institutions. However, the research data do not explain whether cultural SMEs succeeded in obtaining the entire amount of capital that they had requested or whether the capital was obtained at favourable rates. A clue that such was not the case, however, is provided by the fact that a large share of cultural SMEs (and 42 per cent of those receiving debt funding) use personal savings to operate its businesses.[17]

As pointed out earlier, the digital divide is real and important; the development of inexpensive computing services and of open-source software is very important as a stepping stone in closing the gap. However, another digital divide is opening up, one that may have even greater consequences than the first. It is the investment-intensive universal broadband. The example of countries such as the Republic of Korea is notable in the sense that such investment has driven and expanded the market as well as the innovative use of ICTs. This is one of the main advantages in ICT applications and a way to engage the public. Given the increasing importance of a closer interaction between producers and consumers as well as the growing interactive and educational learning patterns developed by ICTs, rich societies are becoming more closely bound together in a virtuous interaction both on- and off-line. This will be one of the major challenges to the democratization of cultural development in the coming years.

There are also a number of pressing challenges with respect to intellectual property. The development of archives is essential for building reflective and critical knowledge of art and cultural forms, and to develop adequate education systems. For a variety of reasons, one of the institutional weaknesses of many developing economies concerns cultural communication and critique. The use of ICTs to develop a wider public discourse on art and culture could be a marvelous dividend for the digital age.

[16] UNCTAD (2004), *E-Commerce and Development Report 2004.*
[17] Nordicity Group Ltd, *Profile of Small and Medium-sized Enterprises in the Canadian Cultural Industries,* prepared for the Department of Canadian Heritage, March 2004. Available at: www.canadianheritage.gc.ca/progs/ac-ca/pubs/profile/sme_e.pdf .

Box 7.3 Eurovision

Geneva-based Eurovision is not only the home of the world's most popular musical talent show, the Eurovision Song Contest; for almost 50 years, it has also offered a distribution platform to Europe's public broadcasters for an exchange of news items. Since October 1958, Europe's public broadcasters have provided one another with coverage of news events in their countries on a reciprocal basis. The added value of the Eurovision News Exchanges was already clear during the first experimental news exchange, when Pope Pius XII fell ill. When he passed away two days later, the editor of the Dutch television news bulletin made history by asking for "the dead Pope live", and Eurovision arranged for a live broadcast from the Vatican.

Today, the Eurovision News Exchanges handle over 42,000 news items per year, using two satellite channels for both news reports and extensive live coverage of events. Eurovision News Exchange items cover wide-ranging topics from the worlds of politics, culture, science, business, religion and sports. United Nations agencies began offering items to the Eurovision News Exchanges in the mid-1970s. Today, content provided by FAO in Rome, ILO, IOM, UNCTAD, UNHCR, UNICEF, UNTV, WFP, WHO, WIPO and WMO as well as the International Atomic Energy Agency in Vienna, the International Criminal Tribunal for the Former Yugoslavia in the Hague, and others adds additional breadth to the Eurovision News Exchanges and helps more than 100 national and international broadcasters fill their daily news bulletins. United Nations videos, particularly concerning unfolding humanitarian crises, provide broadcasters with essential material from regions of the world where press access may be limited and about conflicts in their earliest stages.

Video material from the United Nations is also distributed outside of the News Exchanges via Eurovision's World Feed Service, which began in 2005. Live coverage of the 62nd General Assembly in September 2007 was distributed to more than 300 broadcasters worldwide. This cooperation between Eurovision and the United Nations is only the most recent in a fruitful partnership that dates back more than 30 years and puts United Nations material in front of editors in major TV newsrooms around the world. Additional information about Eurovision is available online at: www.eurovision.net.

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PART 5

Promoting the Creative Economy for Development

CHAPTER 8

Policy strategies for the creative industries

8.1 Introduction

As has been argued throughout this Report, knowledge and creativity are becoming powerful drivers of economic growth in the contemporary globalizing world. They have profound implications for trade and development. Together with technology, they open up a huge potential for developing countries to develop new areas of wealth and employment creation consistent with wider trends in the global economy. For such countries to realize this potential, however, carefully formulated policy strategies are necessary. The creative capacities of these countries can be enhanced through strategic action by governments at local, national and regional levels and by forward-looking cooperation in the international arena.

A wide range of measures is available to governments at all levels to stimulate the creative economy; to reinforce the connections between the economic, technological, social and cultural aspects of its functioning; and to promote the achievement of sustainability through linking economic and cultural development. The policy arena within which government action dealing with the creative economy falls is the broad area of creative-industries policy. Traditionally in many countries, this area of policy concern has been known as "cultural policy". Yet the scope and coverage of the term "cultural policy" differ from country to country. For some countries, especially in the industrialized world, cultural policy simply comprises policy towards the creative arts. Such countries support the arts through measures such as subsidies to artists and performing companies; tax concessions for donations to the arts; assistance to education and training in music, drama, the visual arts and so on; and the operation of public cultural institutions such as museums and galleries. For other countries, particularly in the developing world, cultural policy has tended to connote principally policy towards cultural heritage. In these cases, the policy task is seen as one of preserving or protecting both tangible and intangible cultural heritage, where the sites, artefacts and traditions involved are vulnerable to exploitation and possible loss through deterioration or disappearance.

Recent times, however, have seen an expansion of the notion of "cultural policy" to embrace a broader conception of it as policy towards creativity and the creative industries. Such an expansion of cultural into creative policy parallels the widening of the scope of the creative economy from the traditional cultural industries, as discussed earlier in this Report. In Europe, for example, policy interventions in support of the cultural industries began in the 1920s and were reaffirmed in the Treaty of Rome (1957) and the Maastricht Treaty (1992), which progressively defined the support for culture in the countries of the European Union. Originally such support was directed particularly towards traditional art forms, but more recently, as the market economy has grown and diversified, the scope has widened continually to embrace the audiovisual industries, publishing, the media and so on. The Europeans have been concerned to stress the importance of the cultural content of the output of these industries. Public expenditure on culture in the European Union has continued to expand, with countries such as France and Germany committing more than 8 billion euros to culture in the early years of the twenty-first century, with total public expenditure on culture across the enlarged European Union now totalling approximately 50 billion euros (KEA 2006:125).

In line with the cross-cutting and multidimensional nature of the creative economy, cultural policy in its broader interpretation embraces aspects of a number of other areas of economic and social policy. Perhaps most importantly, consideration of the creative economy becomes a key element of industrial policy, whereby industrial development strategies can exploit the potential dynamism of the

creative industries in generating growth in output, exports and employment. A positive outlook for industrial policy in which creativity and innovation are important drivers of growth is well suited to the contemporary economic conditions of globalization and structural change. For developing countries in particular, a refocusing of industry policy along these lines can begin to open up many of the exciting possibilities for growing the creative economy that have been outlined in this Report.

Another major area of economic policy for which the creative economy has significant implications is, of course, trade policy. As discussed elsewhere in this Report, trade in products such as audiovisual services has had significant impact on the cultural sectors of countries in the developed and developing worlds alike, and hence on the formation of cultural policy. For many countries, the traditional concepts of cultural policy have expanded to incorporate a significant element dealing with the promotion of cultural exports and the protection of vulnerable domestic creative industries.

As discussed in earlier chapters, other areas of economic and social policy with linkages to cultural policy include: tourism; urban and regional development (especially the "creative city" area); cultural rights and cultural diversity; education and training; and copyright and intellectual property. It is apparent that, if the widened scope for policy towards the creative economy is to be entertained, it will require significant collaboration between the various ministries and bureaucratic departments. Only by such cooperation will the full development potential of the creative economy be realized.

It is important to bear in mind also the international context within which policy-making takes place. Multilateral processes are the essence of international policies and the driving force to move forward the international economic and development agenda. These processes will be discussed in the next chapter.

8.2 The role of public policies

The economic role of government is conventionally taken to comprise public interventions to promote:

- efficient resource allocation in the economy;
- full employment, price stability and external balance; and
- equitable distribution of income and wealth.

In regard to domestic policy towards the creative economy, the rationale for involvement of the public sector can be described under several areas of intervention, as follows:

- *Market failure (public goods).* The cultural sector in general and the creative arts in particular are normally regarded as a source of diffused community benefits that have the characteristics of non-rival and non-excludable public goods. A particular public benefit of relevance here, as discussed in this Report, is the social cohesion that can be expected to flow from cultural activities and creative production within communities.
- *Market failure (imperfect competition).* If industries become concentrated to such an extent that competition breaks down, government intervention may be warranted to restore competitive conditions. A specific case of this in the creative economies of developing countries may arise if global corporations producing cultural products are in a position to monopolize local markets to the exclusion of locally produced cultural expressions.
- *Market failure (research and development).* The involvement of government in promoting R&D is justified on the grounds that beneficial externalities might be produced and/or that the public sector may be in a better position than private companies to assume the sorts of risk involved, with the prospect of sharing in the payoff from successful discoveries. In the case of the creative economy, governments can and do facilitate R&D investments in creative product development for either or both of these reasons and may undertake strategic investments in the creative sector with the hope of "picking winners".
- *Education and training.* Governments have particular responsibilities in the areas of education, training, certification and licensing. Significant strides have been made in the developing world towards achieving universal literacy and ensuring access to education opportunities that are both relevant and of high quality. The resources available for specific training programmes are, however, often very limited. For the time being, training and education opportu-

nities relating to the creative industries are almost entirely limited to the major urban centres. The successful promotion of creative industries requires that they be reflected in the national education system, which would offer targeted training opportunities at different levels (formal, non-formal, informal) in skills and knowledge that are relevant to professional participation in the creative-industries sector. Such training also needs to serve as a repository of knowledge relating to the rich cultural traditions that underpin these professions. It is also necessary to confer the status and importance that are due these specializations through a programme of certification and licensing designed specifically for the creative-industries sector.

- *Cultural identity/cultural diversity*. An area that has traditionally formed part of cultural policy in the broadest sense has been government responsibilities for the cultural life of the people as reflected in the traditional knowledge and the intangible cultural capital of the community. Although there are demonstrable economic ramifications arising from areas such as the expression of cultural identity or the protection and celebration of cultural diversity, this is an area of policy that is generally regarded as intrinsically important in its own right. For our purposes, it is clear that policy in these areas should undoubtedly be regarded as part of an overall domestic policy strategy that encourages and supports the creative economy.

8.3 The policy process

In considering the process of policy formulation and implementation in the public sector, a series of steps can be identified that can be summarized in simple terms as the following sequence:

- *Specification of objectives.* This first step is critical in specifying clearly which outcomes policy is designed to achieve. Generally, multiple objectives are involved, and the necessity of some trade-off between them might be anticipated. For example, the standard goals of macroeconomic policy may require that some balance be sought between levels of growth, inflation, unemployment, external balance, etc. In some cases, however, synergy between objectives may be possible. In regard to the creative economy, for instance, a linking of the goals of economic and cultural development can readily be imagined whereby growth in cultural production can yield both economic and cultural benefits.
- *Choice of instruments.* The guiding principle in the allocation of policy instruments to tasks is the so-called assignment problem, whereby the most effective and efficient policy measure or package of measures is aligned with the objective or objectives that they are expected to achieve. The standard array of policy instruments available for use in supporting the creative economy includes: fiscal measures (subsidies, tax concessions, investment allowances, business start-ups); regulation (copyright, local content quotas, planning laws, FDI regulations); trade-related measures (import quotas, etc.); education and training (direct or subsidized provisions of services); provision of information and market development services; international cooperation (cultural exchange, cultural diplomacy); and social security and welfare policy (including measures to protect cultural diversity). The usefulness of particular instruments is discussed in more detail later in this chapter.
- *Implementation, monitoring and evaluation.* The implementation of cultural policy requires appropriate measures to gather the data necessary for monitoring whether or not the required objectives are being achieved, what the benefits and costs of intervention have been, and whether there have been any untoward or unexpected side-effects, either positive or negative. The process of monitoring and evaluation is normally seen as part of a feedback loop whereby the assessment of the effectiveness of policy measures can be used to inform the further development and refinement of policy formulation and implementation.

The above sequence of the policy process is relevant generally to the dynamics of government action in regard to the creative economies of developed and developing countries alike. Some further considerations to be borne in mind, particularly in the developing-country context, are the following:

- There is a need in the developing world to create a framework of objectives, shared values and measurable outcomes; define the roles and responsibilities of all role players; and consolidate the role of government as a facilitator and coordinator of the creative sector and its development.

- Much of the policy implemented in the developing world has used models from developed countries in its design. The current challenge is to ensure that policy embraces values relevant to the developing countries themselves, incorporating indigenous knowledge systems and local experiences into the policy, institutional and programming environment.
- A critical challenge for policy in the arts, culture and heritage sectors of developing countries is the lack of articulation between cultural policy and other priorities, and the degree to which a concern for culture and cultural diversity is embedded in development agendas.
- One of the most significant challenges to the creative sector in developing countries is the implementation of good governance principles across the sector as well as the improvement of the relationships between producers, distributors, creative workers, employers and retailers.

8.4 Policy directions

As the analysis in this Report has demonstrated, critical areas where developing countries need new policy initiatives in order to boost their creative economies include the provision of infrastructure, the provision of finance and investment, the creation of institutional mechanisms, the development of export markets, the protection of creators' rights, the establishment of creative clusters and the institution of effective data-collection measures.

8.4.1 | Provision of infrastructure

It is a fundamental function of government to create and maintain the conditions under which the economic, social and cultural life of the citizens can prosper. This responsibility takes shape through the ways in which the public sector provides both tangible and intangible infrastructure. Given the predominance of the market economy as the basic form of economic organization in the world today, the types of infrastructure required are those institutions that enable markets to function effectively but at the same time to protect and promote the public interest. As the UNCTAD *The Least Developed Countries Report 2004* puts it:

> In implementing post-liberal development strategies, public policies in LDCs should use market-supporting mechanisms aimed at market creation, market development and market acceleration. These policies must not simply provide the right price incentives, but also create *the right institutions and the infrastructure necessary* for a modern market economy to function properly (UNCTAD, 2004:xi-xii, emphasis added).

The infrastructure needs of the emerging creative economies of developing countries arise at all points in the value chain from initial creative production (which may be undertaken on a small scale at the local level or on a larger scale in towns and cities) right through to marketing and retailing. As with any other industry, the creative industries need affordable access to appropriate space in which to work and to live, transportation, and distribution facilities. The dispersed but interdependent nature of creativity in the creative-industry sector may make the provision of these basic infrastructure needs more costly and complicated than for the development of more traditional heavy and light industry. The overlap with the private infrastructure needs of the employees and the small scale of the needs for the individual industry may, on the other hand, balance this cost. The promotion of creative clusters is one way to overcome this cost but it may not carry the social and cultural advantages of lodging creative industries within existing communities.

One infrastructure requirement particular to the creative industries is the need for access to information and communication technology (ICT). Access to information needed to boost business development is in many regions of the world still far from universal and will never be so without conscious public-sector efforts to fund such access. There is no doubt, however, that access to ICT, in terms of identification of market opportunities, training, innovations, networking and sales, is a significant factor in the development of the viability of small business units. Access to ICT provides a link between education and commerce and assists in turning knowledge into marketable products. Facilitating the movement of workers is another key issue for the development of creative industries, especially in those industries that entail a collective creative process.

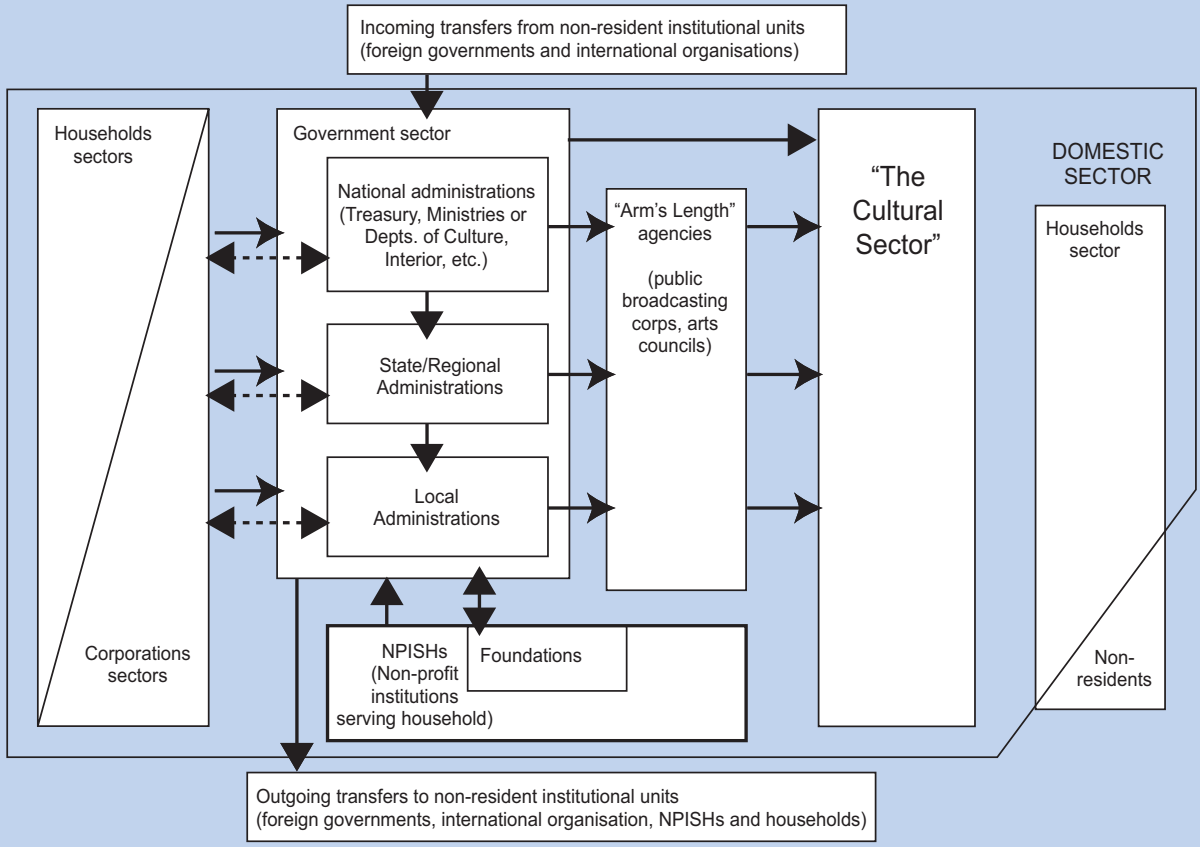
Like any other industry, creative industries are only truly sustainable if they contribute to building the asset resource base. This they can do only through the integrity and authenticity of their products. In the longer run, the creative industries depend on the vitality and strength of the cultural sector and the investments in cultural capital (knowledge and heritage). The sustainability of the creative industries therefore depends on the safeguarding of cultural capital and the development of the cultural asset resource base. Hence, comprehensive cultural asset management is a prerequisite for sustained growth in the creative-industries sector – and, in a wider perspective, for sustainable economic development and vibrant community life. It is therefore necessary to maintain the principle that cultural assets are intergenerational capital and that their viability may legitimately be sustained by public investment.

8.4.2 | Provision of finance and investment

Traditionally, investment in the cultural sector has directed investment and programming towards projects, institutions and large enterprises that are all heavily dependent on public incentives and financing. The sustainability of the creative industries depends, however, on a different and more comprehensive model of investment. While parts of the creative economy have been very successful in identifying funding and have become very profitable, many activities may appear to have only a limited commercial potential. These activities may not have been able to realize their potential because they have lacked the capital and investment needed to scale up their activities and operate as demand-driven, sustainable businesses.

A major problem in this respect is that entrepreneurs in the creative industries often find it difficult to present a

Figure 8.1 Funding flows to the cultural sector



Source: Gordon and Beilby-Orrin (2007:30).

convincing business model and many of the professional skills involved – e.g., choreography, dancing, drawing, editing, weaving, doll-making – simply are not perceived as leading to profitable businesses. While this may be changing in some places under the influence of success stories of one kind or another, many skills and professions related to the creative economy are not recognized as business categories in legal terms. Because of this, many small creative industries do not have access to credit facilities or to the loans and investments that would make their businesses more viable.

Sources of finance for businesses in the creative economy may arise from public-sector funding programmes of various sorts, private-sector investment, and public-private partnerships involving joint contributions and responsibilities. In regard to public funding of the cultural sector, figure 8.1 illustrates the funding flows involved.

8.4.3 | Creation of institutional mechanisms

The actual role played by government in dispensing funds for the cultural sector and hence for the creative economy may involve direct cultural provision via the State apparatus (as in the former Soviet Union, China, etc.) or via an enabling role administered through a ministry of culture or the equivalent. The expansion of cultural policy beyond the concerns simply of core artistic and cultural activities, as discussed earlier, entails a similar expansion of the ways in which cultural funding is provided. In particular, public finance and investment in the creative economy are likely to extend beyond cultural ministries and to involve, in particular, ministries responsible for industrial development and technology. There is a need for a workable and flexible institutional mechanism to put in place cross-cutting policies.

Box 8.1 The Egyptian film industry: The waning of the "Hollywood of the East"?

Egypt has a long and proud tradition of moviemaking dating back to the late nineteenth century when projections were shown in cafés. The first feature films to be produced were romantic movies intended for the urban middle class while the first full-length silent feature and the first made with an entirely Egyptian crew was "Leila", produced and co-directed by Azira Amira with Turkish director Orfi Bengo in 1927.[1] Since then, the Egyptian movie industry has become the most important in the Arab world. More than 75 per cent of the 4,000 short and feature-length films made in Arabic–speaking countries since 1908 have been Egyptian.[2] At its peak, the film industry of Egypt produced some 60 to 70 feature films a year.[3] By the late 1990s, however, the industry managed to produce only 15.[4]

The film industry was boosted by the creation of Studio Misr in 1935, becoming "the nucleus of a genuine film industry as part of 20 or more enterprises by Talaat Harb meant to contribute to the Egyptianisation of the economy".[5] Studio Misr grew to be one of Egypt's largest production companies, Egypt's equivalent of Hollywood, and continued to play a prominent role for more than three decades.

The internationally successful films of the 1950s, including musicals and comedies, became classics while their stars became screen legends and their producers were internationally acclaimed. Filmmakers produced serious films; Youssef Chahine, for example, won accolades and awards throughout his long career such as the golden anniversary award at the fiftieth Cannes Film Festival in 1997 for lifetime achievement. He also was the only Egyptian director honoured by the Berlin, Cannes and Venice film festivals.[6]

The film industry did not fare well during the time of Gamal Abdel Nasser. Attendance at movie theatres as well as actual film theatres declined dramatically with the nationalization of radio and television industries in the early 1960s. Film theaters in the period 1955-1975 declined from more than 350 to fewer than 250 while at the same time, imported foreign films flooded the market.[7] The losses incurred by the State film organization saw the gradual halting of film production by the early 1970s. The financing from oil-rich Gulf countries of films for television (1980s) and satellite production (1990s), accompanied as it was by the tightening of censorship requirements covering sex, politics and religion, exacerbated the decline of the film industry. Many film critics point to the current power of censors to limit artistic creation and freedom of expression, particularly with respect to criticism of religion. In addition, funded television shows benefited enormously from the Gulf petrodollars of the 1980s, also to the detriment of film, so that by the mid-1990s, the Egyptian film industry was thought to be in a state of crisis, with the annual production of films falling to single digits.

At the same time, the last 10 years have seen a new group of Egyptian women film directors emerge such as Hala Khalil, whose "Ahla Al-Awquat" ("Best of Times", 2004) reflects on the reality of her generation of Egyptian women set in present-day Cairo.

While the Egyptian film industry is still the biggest in the Arab world, Egyptian filmmakers are concerned about many issues from the quality of film-making, the standard of film courses at the High Cinema Institute, censorship, religious fundamentalism, level of production and technical standards in Egyptian film-making to financing and the level of intellectual property protection. Prominent Egyptian director, Inas al-Deghedy, spoke to Guy Brown in Cairo about the quality of film-making, financing and fundamentalism: "Poor quality movies are a reflection of economic difficulties. People are not looking for movies that explore important issues; they are trying to escape the economic situation. That is why comedians dominate the industry at the moment … There is no comparison between Egyptian and American or European movies. Production standards in American movies are far ahead of us; European movies are not so far ahead, which is partly because they are also experiencing financing problems … Now the whole industry is based on films that are self-financed. They do not have a good source of financing from Arab countries … Seventy-five percent of revenues come from the

Box 8.1 continued **The Egyptian film industry: The waning of the "Hollywood of the East"?**

cinema, and 25 percent from video and satellite. Revenues disappear into thin air because of inadequate intellectual property right protection, particularly on the international scene … The Egyptian people are the true censors … Fundamentalists are creating a serious problem for the industry, because they are wrapping new films up in red tape".[8]

Today Egyptian cinema straddles both those films with high artistic quality attracting international attention and popular films, particularly those in the comedy genre.

The core of Egypt's flourishing film industry is based in Cairo, which hosts the world-class annual International Film Festival. Some films have successfully bridged the art/individual-popular divide, such as the 2003 "Sahar el Layali" ("Sleepless Nights") and the 2006 "Imarat Yacoubian" ("The Yacoubian Building"). The latter is based on a novel by dentist author Alaa El-Aswani, published in 2004 and "containing all that the majority of Egyptians talk about in private".[9] This film with its depiction of homosexuality and other issues considered taboo as well as some newer releases indicates a film industry that is increasingly willing to take risks. "Awkat Faragh", for instance, is a social commentary on the decline of youth in Egypt and the sexual undertones in today's society, and despite being controversial and produced on a low budget, the film went on to become successful.

The Egyptian film industry is again in a delicate position not only because of societal taboos and the rise of fundamentalism but more importantly also because of how film is viewed both by the authorities and society more generally as being outside of culture and heritage. As Samir Farid points out, "Arab countries, including Egypt, do not view their cinemas as part of their national heritage or an art worthy of government subsidy. Film is not taught in colleges of fine arts and newspaper film reviews tend to be located on the entertainment pages, rather than in the arts and literature pages".[10] There are no negative archives, cinematheques, video libraries or film museums and copyright protection is poor. As is the case with music in much of Africa, Arab film production companies prefer up-front payment rather than waiting for possible future financial rewards, which leads to a lack of attention to what happens to their originals and copies. As film critic, Mohamed El-Assiouty, laments, "…they are not in the least concerned with preserving their originals and more often than not neglect to place a positive copy in the Egyptian National Film Centre (ENFC)'s store room".[11]

The proposed Media Production City, a $200-million, 5,000-acre production venue with a development projection of 10 years will become the new Egyptian equivalent of Hollywood. It will have 13 state-of-the-art sound stages, outdoor sets (from Pharaonic cityscapes and medieval Islamic backdrops to Egyptian villages, modern Egyptian street scenes and agricultural settings), film processing laboratories, an open-air theatre, a training centre, administration offices and a hotel for actors, production personnel and visitors.[12] However, it will ultimately be up to the artists – from scriptwriter to director and producer – to ensure that Arab cinema remains creative and vibrant.

[1] See http://www.powerofculture.nl/uk/specials/film/egypt.html
[2] Samir Farid, "Lights, camera --- retrospection", *Al-Ahram Weekly*, no. 462, 30 December 1999-5 January 2000. Available online at: http://weekly.ahram.org.eg/1999/462/cinema.htm
[3] Peter Warg (2007), "Egypt's Hollywood mammoth film centre going up near Giza", in *New Middle East Magazine*. Available online at: http://archives.obs-us.com/obs/german/books/mem/n01a08.htm
[4] Guy Brown (2002), "The movie business in Egypt", AME Info, 8 December 2002. Available online at: http://www.ameinfo.com/16692.html
[5] Musri Saad El-Din (2007), "Plain talk", *Al-Ahram Weekly*, no. 838, 29 March-4 April 2007. Available online at: http://weekly.ahram.org.eg/2007/838/cu3.htm
[6] Samir Farid (2006), "An Egyptian story", *Al-Ahram Weekly*, no. 821, 23-29 November 2006. Available online at: http://weekly.ahram.org.eg/2006/821/cu4.htm
[7] Advameg, Inc. (2007), "Economics and Politics, Egypt". Available online at http://www.filmreference.com/encyclopedia/Criticism-Ideology/Egypt-ECONOMICS-AND-POLITICS.html
[8] Quoted in Guy Brown (2002), ibid.
[9] Samir Farid, "Seven", *Al-Ahram Weekly*, no. 849, 14-20 June 2007. Available online at: http://weekly.ahram.org.eg/2007/849/cu4.htm
[10] Samir Farid, "Lights, camera – retrospection", ibid.
[11] Mohamed El-Assiouty, "Forgotten memories", *Al-Ahram Weekly*, no. 445, 2-8 September 1999. Available online at: http://weekly.ahram.org.eg/1999/445/cu5.htm
[12] Peter Warg (2007), ibid.

By Avril Joffe, Director, CAJ (Culture, Arts and Jobs).

8.4.4 | Development of export markets

Strategies for developing domestic creative industries that are outward-looking and that actively target FDI and export markets in addition to local markets for creative products have proved successful. In this context, East Asian countries stand out. For example, the Singapore strategy is aimed at establishing a reputation for Singapore as a new Asian creative hub. Among the list of international creative industries that it has succeeded in attracting are international film financing company RGM Holdings, electronic games developer Koei Company, Ltd. from Japan, and automotive and product design studio BMW DesignworksUSA. In addition,

53 foreign media companies have set up regional headquarters or hubs there in the last four years. Similarly, the industries of Hong Kong SAR are highly export-oriented given the small size of the local market and have benefited from their spatial and cultural proximity to the huge market of mainland China. Likewise, United States' creative industries, which are very competitive and have an established reputation, vigorously pursue opportunities in export markets.

8.4.5 | Protection of creators' rights

Because creative industries are based on intellectual property, an important aspect of the legislative framework for creative industries is the enforcement of IPRs relating to cultural activities and creative goods and services. Effective intellectual property regimes that protect the originators' interests and stimulate creation and innovation are therefore a pre-requisite for access to global markets. A balance needs to be struck, however, between strengthening of IPRs and strengthening the public domain. Ensuring that this balance is established is essential to asset management and wealth creation in the creative economy.

A number of developing countries particularly in Asia and Latin America have adopted legislation to protect IPRs. Examples from Africa include Algeria, Burkina Faso, Cameron, Cape Verde, Côte d'Ivoire, Djibouti, Ghana, Kenya, Madagascar, Malawi, Mali, Mauritius, Namibia, Niger, Nigeria, Seychelles, South Africa, Swaziland, Togo, United Republic of Tanzania and Zambia. Nevertheless, there are many other countries in the developing world where copyright protection for the products of the creative economy is weak or nonexistent. Furthermore, even where copyright systems do exist, there are often problems of monitoring and enforcement, especially in the absence of an efficient, transparent and fully accountable structure for the collection and management of IPRs.

Piracy is a critical challenge in many developing countries. In Africa, for example, piracy is a particular problem, as it destroys the ability of African artists to have a viable career as an artist or, in fact, the creative industry to become viable. There is some evidence to suggest that in the music industry at least, pirate operators have a competitive advantage since their costs are lower and they have minimal capital investment requirements, linkages with informal but highly efficient distribution networks, and, at times, the collaboration of individual artists who want to enhance their audience numbers. Policy-makers, collection agencies, recording companies and artists need to be cognizant of these factors in formulating a response and set of policies to deal with unauthorized use.

The establishment of collecting societies where they do not already exist is an essential step towards improving the copyright regimes of developing countries. Even where collecting societies do exist, however, their successful operation is sometimes adversely affected by shortcomings in the operation of sister societies in other countries. For example, an often repeated complaint by the Caribbean music industry is the failure of collection societies in developed countries to capture airplay and live performance statistics for Caribbean music played overseas, while the Caribbean collects and distributes significant royalty payments abroad. This perceived unfairness in treatment means that Caribbean artists receive very little in the way of royalty payments from outside the Caribbean. Alternatively, many artists in developing countries are turning to live performances because this enables them to capture revenues directly and some may be party to the distribution of pirate copies of their work.

8.4.6 | Establishment of creative clusters

The various subsectors of the creative economy have their own particular needs, identity and modes of organization – the music industry or the publishing industry, for example. From a policy perspective, however, a small-scale publisher is likely to have more needs and problems in common with a small professional music ensemble or a small pottery and weaving business than it has with a larger-scale publisher, wherever these creative professionals are located. Thus, although the performance of individual drivers may differ from country to country, their impact on the development of the creative industries may be able to be optimized through national and regional cooperation within a cluster strategy. As discussed earlier in this Report, clustering is a system for networking of independently functioning units that optimizes the individual unit's function and potential instead of exploiting them. A cluster brings together individuals and groups that create products that compete but must also cooperate within the broader context of the creative industries. Clusters can develop naturally or be created for a

specific purpose; they may cover many or a few industries; and they may contribute to development in a particular geographical location as in the many creative-industry parks established in recent years in cities such as Barcelona in Spain, Rosario in Argentina and Shanghai in China.

The promotion of cluster development has proved to be an efficient way of organizing the creative industries and the non-formal sector. Cluster development contributes to the creation of synergy both within and between different subsectors of the creative industries. It also contributes to the identification of needs of the sector and areas for policy development, and helps to justify relatively large investments that focus on the drivers (the infrastructure) needed to create the necessary enabling environment for the promotion of growth in the creative-industry sector.

8.4.7 | Institution of effective data-collection measures

The analysis in this Report points to the need for the establishment of a methodology for the collection and analysis of universally comparable and reliable data on creative industries that mapping studies rarely meet. The creative industries in the South operate mainly in the informal sector, where usually the terrain is uncharted and the infrastructure of the industries remains opaque. There is no doubt that targeted investment and policy can go a long way in realizing the growth potential of the creative industries, but unless the economic value of these industries can be benchmarked and measured, few concrete policy steps can be taken towards this goal. The establishment of means within developing countries to collect reliable and consistent data on the creative economy, as discussed in chapter 4 of this Report, should be a matter of high priority in the creative-industry development strategy of any country.

Box 8.2 Shanghai creative industries: The Chinese way

The concepts of "creative economy" and "creative industry" have had great impact on China's social and economic development, the most important being the discovery of the economic value of culture. The academic and public sectors in China have focused on the value of the creative economy as "a kind of newly emerging culture perspective and economic practice that stresses the support and promotion to the economy of art and culture". Therefore, in many cities of China, instead of "creative industry", the "cultural creative industry" is a more commonly used term.

As a country with a long history and rich cultural heritage, China has always experienced a strong demand for cultural products. The industries are manufacturing products for international brands, making China one of the biggest exporting countries in the world, but these products are "made in China", not "created in China". As a result, China's new generation is playing Korean games and watching Japanese cartoons and Hollywood movies. Chinese people are increasingly surrounded by products originating in the creativity and culture of other countries. A 2006 survey on the consumption of creative products in Shanghai showed that the group between 20 and 35 years of age prefers international brands much more than local brands, and this tendency is even stronger in younger groups. This tendency is caused by the dominant idea that culture and economy are separate entities; however, the creative industries may help to reverse this trend. Creative industries focus on culture and creativity and then extend to other related industries in the form of a value chain, providing broader ways of generating value-added products and services.

In China, Shanghai was a pioneer city in the promotion of the creative industries, with the Municipal Government playing a key role. In the 11th Five-Year Plan of the Shanghai government, promoting creative industries has been listed as a key issue in developing modern service industries. In the past, Shanghai was very strong in manufacturing, but now it is shifting towards the service and finance industries. Hence, in 2007, it was a government priority to accelerate the development of creative industries so as to promote the structural reform of industries with a view to building a new framework focused on the service economy. In the "Key Guide for the Development of Creative Industries in Shanghai", the five main areas of creative-industry development are:

- *R&D*, including advertising, animation, software and industrial design;
- *architectural design*, including engineering and interior design;
- *culture and media*, including art, books, newspaper publishing, radio, television, film, music and performing arts;
- *business services*, including education, training and consulting services; and
- *lifestyle*, including fashion, leisure, tourism and sports.

Creative industries already account for about 7 per cent of Shanghai GDP. Seeking to turn Shanghai into a creative city, the government has set a target of 10 per cent for the contribution of creative industries to total Shanghai GDP in 2010.

Box 8.2 continued **Shanghai creative industries: The Chinese way**

Stages of development of Shanghai creative industries

Shanghai has divided its development of creative industries into three stages: creative-industry parks, creative-industry clusters and creative-industry projects.

- *Stage 1: Creative-industry parks* – the model of old factory warehouses plus artists. In the first stage, many old warehouses in the downtown area were renovated and furnished to become modern office buildings while retaining some of their original equipment and appearance. These buildings are usually spacious with high ceilings, making an ideal environment for the start-up of creative businesses by artists and entrepreneurs. Since these buildings were almost useless in the past, the rents were comparatively low and thus good for creative companies and individual artists. This model has proved to be quite successful: by the end of March 2007, 75 creative-industry parks had already been built in Shanghai.

  Since most creative businesses start small and are modestly capitalized, these creative-industry parks play an important role at bringing such businesses together and providing an enabling environment. In addition, they may facilitate marketing such companies since the clients may approach creative-industry parks when searching for suppliers.

  M50, an old warehouse converted into painting and sculpture galleries and studios, is a very good example of these creative-industry parks. Numerous very creative artists are now concentrated in M50 and receive many visitors and clients. Some of the artists at M50 became very successful and now have their artwork listed in Sotheby auctions.

  With the support of the government, owners of culture-industry parks are able to convert unprofitable warehouses into prosperous office buildings. In turn, the surrounding environment also improves. This model has proved to be very successful from a business perspective. However, it has some shortcomings. Creative-industry parks remain owners, while creative businesses are renters. As real estate values increase and rents rise, some companies and artists are forced to relocate, consequently hindering the industries' development.
- *Stage 2: Creative-industry clusters* – clusters formed according to the local art and cultural resources. Eventually, creative-industry parks were found to be insufficient to fully support the development of the creative industries. The Shanghai Municipal Government has stopped building new creative-industry parks but continues to maintain and develop the existing 75 parks. Based on the latter, the government starts to explore the development of creative-industry clusters, which take into consideration the characteristics of the local art and culture and intentionally focus on certain industries. As a result, a full range of companies and businesses in the value chain are concentrated in these clusters so as to foster the development of that particular industry. The main industries include: the theatre and performance-art cluster, the film and television cluster, the comic cartoon and game cluster, the gallery cluster and the intellectual-property cluster. For example, the Zhangjiang Culture and Technology Creative Cluster has attracted enterprises relating to comics and cartoons, games, television and movies, and post-production services. At present, this cluster concentrates 70 per cent of the total production value of game software in China, including some of the top game businesses.
- *Stage 3: Creative-industry projects* – big and important events and projects based on the value chain. Shanghai is also trying to promote such projects in the creative industries. For the 2010 World Expo, a creative project is being carried out that will place in one service system all the elements attractive to a participant in the World Expo, including clothing, food, accommodation, travel and entertainment. This kind of big project has great potential to promote the creative enterprises in Shanghai.

All these quick developments require strong support from the government. A long-term policy and related strategies are necessary for the stable promotion of the creative industries. Moreover, five-year plans are an effective way of informing people of the direction of development. Government initiatives take the leading role and must continue to be the main impetus, particularly when facing competition from more developed creative industries in other countries. For China, the development of creative industries involves almost all industries, and people are increasingly aware of this trend. Our target, however, extends beyond GDP increases and includes the exploration of the potential of deeply-rooted Chinese culture for making creative products rich in Chinese culture and heritage. The cultural value of the creative industries lies not solely in its products but also in the emergence of culture as a core element of industrial and economic activities. Much progress remains to be made, though, as Chinese industries have been mainly manufacturers. However, as exemplified by the experiences of other countries, creativity will become a driving force in the whole economy.

China is facing the twofold task of promoting new industries and improving traditional industries. Fostering cultural development is also paramount. The creative industries provide us with a new perspective on our current gap vis-à-vis developed countries and a new way to explore the potential of development as a big country rich in cultural resources.

Awareness of the value of creativity is just beginning in China. In the last two to three years, many cities have begun to explore the creative industries. In the 16 cities that belong to the Yangtze delta, 14 are boosting creative industries. Moreover, Beijing has taken powerful measures to support its creative industries. The value of creative talents is also increasingly recognized in the society, with schools encouraging greater creativity among its students, a change that may influence China's entire education system. To properly understand and take advantage of this trend, the Ministry of Education has started a three-year research project on China's strategy towards the creative industries. This exemplifies China's commitment and vision for development. Though its experience may not be easily replicated, it could be an interesting reference for other countries, especially developing ones.

By Prof. He Shou Chang, Executive Vice Chairman, Shanghai Creative Industry Association.

8.5 Targeted measures for enhancing creative capacities

In this section, we return to the production structure of the creative sector as described in chapter 3 and examine some specific policy measures that governments can undertake in respect to particular components: the non-formal sector, the creative arts, SMEs, public cultural institutions and the corporate sector.

8.5.1 | Non-formal sector

Many activities in the creative economy, especially in the poorest countries, are (or at least start out as) small-scale, often household or cottage industries that are not targeted by existing Government regulation and support for business development. The fact that many of these "industries" may be part of the non-formal sector complicates matters. To realize the full potential of the creative-industry sector, there is a need to formulate strategies and policies that mainstream the non-formal sector by providing legal support and an enabling environment for the development of these business activities in the same way that such facilities extend to other sectors of the economy.

8.5.2 | Creative arts

Individual artists can be seen as primary sources of creative ideas and interpreters of traditional knowledge. As such, they are an indispensable element as the very first stage in the value chain for most, if not all, creative products. Yet as sole traders or as workers on casual hire or short-term contracts, they frequently lack the industrial power or business acumen to make a reasonable living and to receive an equitable reward for their work. Areas of government assistance that are appropriate here include:

- grants to support the creative activities of artists, provided on a project basis (for individuals or groups) or as continuing support funding;
- assistance for education, training and skills development;
- support for artists' organizations that can act as spokespersons, advocates and negotiators on behalf of members; and
- copyright regulation to ensure proper remuneration for the creation of artistic works in various art forms (see further below).

8.5.3 | Small and medium-sized enterprises

The prevalence of small and medium-sized enterprises (SMEs) in the creative sector underlines the need for policy-makers to address size-related constraints. SMEs in creative industries are susceptible to the same constraints that afflict small enterprises in other areas of the economy. Chief among these constraints is access to finance to develop creative projects. The transformation of creative ideas into products or services is usually capital-intensive and the cost of technological inputs or other professional services are the subject of significant business components of these industries. In short, access to finance remains one of the key hurdles for creative entrepreneurs looking to resize their creative ideas. Larger enterprises in the economy may be one source of finance to SMEs. In economies where the financial sector is better adapted to financing small businesses and where creative industries are officially recognized, SMEs are at an advantage. This is not the case in most developing countries.

Other challenges faced by SMEs include a lack of business skills relating to marketing and financial management, information asymmetries and resource constraints affecting access to up-to-date technologies. Available information indicates that size-related constraints are an issue in developed and developing economies. For SMEs in developing countries, however, these challenges are more acute, particularly since the concept of "creative industries" is still very new to most of the developing world and the supporting network of local-industry participants providing complementary services is largely absent when compared to more developed countries. Consequently, the competitiveness and ability of developing countries to grow recognizable industries in the creative sector are compromised.

For instance, in many developing countries, it is more common that the proprietor fulfils a number of organizational roles: producer, agent, marketer and retailer. This is

significant since the level of specialization or availability of local specialized participants along the supply chain appears to be highly correlated with the competitiveness of creative industries. On the whole, the supply chain of creative industries in many developing countries appears to exhibit a number of gaps and fragmentation – in particular the absence of intermediaries who play an important role as gatekeepers. For example, there are numerous cases in the South African music industry where there remains a dearth of entertainment lawyers despite the fact that the music industry is fairly well established. As a result, many artists opt to sell their rights in exchange for a one-time upfront payment, thus forgoing a regular and steady flow of income in favour of a livelihood that is dependent on a punishing schedule and the prolific release of albums.

Given the prevalence of SMEs in the creative economy of developing countries, it is not surprising that financing avenues such as microfinance will feature prominently in any public/private investment strategy. Successful microfinance programmes operate in a number of countries, such as Grameen Bank in Bangladesh and Banco Sol, which was established in Bolivia in 1992 and which operates in Latin America and the Caribbean. For the most part, these organizations provide finance for small businesses in agriculture, retail, etc. and have to date had little to do with the creative sector perhaps because creative producers are unaware of the availability of such funds.

The potential for microfinance as a source particularly of start-up capital for SMEs in the creative sectors of developing countries would appear to be strong. As argued by Cunningham et al. (2007:80), microcredit is attractive as a source of investment funds for creative businesses because:

- it is a proven and effective model;
- it provides amounts suitable both as start-up and working capital;
- it has the potential to develop small-scale enterprises to a point where they become more attractive to investors and eligible for other forms of credit;
- the model is flexible and adaptable to specific local conditions; and
- it offers a way of overcoming some of the problems of commercial financing such as risk management and the intangible nature of creative assets.

Box 8.3 Alphadi: The fashion caravan

Seidnaly Sidhamed, alias Alphadi, was born on 1 June 1957 to trader parents in Timbuktu, Mali. One of nine children, in Niger he grew up in the company of his siblings and liked to put makeup on his sisters and mother. He also studied the makeup of actresses in Hindu films. At a young age, this designer-to-be was already intrigued by everything that could enhance and better showcase feminine beauty. In Niger, however, fashion was taboo for boys.

While his father had envisaged that Alphadi would pursue a medical career or work in the family business, following graduation from high school, Alphadi went to Paris to study tourism. In this centre of fashion, he was able to attend fashion shows and he also took night courses at the Chardon Savard atelier. Once he had completed his studies, he accepted a director's position at the Ministry of Tourism in Niger, but he still had a passion for fashion. While working at the Ministry, he continued to perfect his fashion skills by receiving in Niger professors from Chardon Savard.

In 1985, two years after having decided to devote his life to fashion, he presented the haute couture fashion line that he had created at his first fashion show, which was held in the City of Light during the International Tourism Tradeshow. From that time on, Alphadi has had many successes, including the Best African Designer award from the Fédération française de la couture et du prêt-à-porter in 1987. His fashion shows are familiar worldwide – in Abidjan, Brussels, New York, Niamey, Paris, Quebec, Tokyo, Washington. In 1999, he expanded his label by creating a line of sportswear called Alphadi Bis. With Wrangler, he also created Alphadi Jeans, and 2000 saw the launch of l'Air d'Alphadi, the first perfume by an African couturier.

After twenty years of a career in fashion, with fashion shows organized all over the world, boutiques in Africa, Europe and the United States and, most importantly, an internationally respected brand, Alphadi is one of the most well-known African designers from the continent. Warm, very affable and experienced, this artist is ever ready to talk about his field. Inspired by the rich traditions and colours of Africa, Alphadi "firmly believes that fashion and culture are the industries that can lift Africa to the ranks of prosperous nations".

Alphadi, Paris.

8.5.4 | Public cultural institutions

Governments in most countries play an important role in the creative economy by their ownership and operation of public cultural institutions such as art galleries, museums and heritage sites. They are also often owners of significant tangible cultural heritage such as historic public buildings and collections of nationally significant artworks, artefacts, etc. These cultural responsibilities of government should be seen as integral to the creative economy, especially because of the role of these institutions and activities in encouraging tourism, promoting social cohesion and fostering the beneficial aspects of cultural diversity. As such, their capital and current expenditure needs should be seen not as inessential luxury items in government outlays but as an essential contribution to the vitality of the creative industries.

8.5.5 | Corporate sector

The existence of large-scale enterprises in the economies of developing countries arises as a result both of the growth and amalgamation of domestically owned companies and the establishment of offshoots of transnational corporations. Such large corporations can be found in the creative sectors especially of the more advanced countries in the developing world. Since they are essentially commercial operations motivated by the prospect of financial gain rather than by any "pure" cultural objectives, they are likely to be treated by governments in the same way as businesses in any other sector of the economy will be treated. Nevertheless, governments may see some particular attraction in facilitating the growth of specifically creative businesses in order to "surf the wave" of growth that the creative economy appears to offer.

8.6 Tailoring policy action at the national level

As this Report has demonstrated, the creative industries are a potential source of real development gains for countries in the developing world, but such gains cannot be achieved in a vacuum. They require carefully formulated policy strategies that recognize the complexities of the interaction between economic, cultural, technological and social dimensions of the development process and that are implemented on a multi-agency basis. It must be acknowledged that all countries are different and that there will not be a standard or uniform package of policy measures that will fit every circumstance on a one-size-fits-all basis. Nevertheless, in this chapter, we have pointed to some overall features of policy strategies that are likely to be applicable in most developing-country situations. These are:

- the need for strengthening of the infrastructure that supports the creative economy;
- the desirability of capacity-building to ensure that countries can continue to oversee the development of their creative economies on a sustainable basis;
- the critical role of finance and investment in areas where the government can play an important facilitating role;
- the desirability of adopting measures to expand the exports of creative products and to foster import replacement, especially with respect to audiovisuals;
- the need for appropriate copyright legislation and the administrative infrastructure to provide effective enforcement; and
- the importance of protecting the fundamental artistic and cultural resources on which the creative economy depends.

In addition to domestic policy strategies, international action is also required, as will be discussed in chapter 9.

Box 8.4 Cultural policy in action: The Nairobi Plan of Action

As a prelude to the full implementation of the African Economic Community, cultural leaders in Nairobi in 2005 urged their governments to include in the legal and institutional frameworks for the development of cultural products their free movement in all African countries and to detail legislative and fiscal measures to foster cultural industries through a "policy subsidy". The Common Market will be based in broad outline on the Nairobi Plan of Action for the Development of Cultural Industries adopted in December 2005.[1]

The objectives of the Nairobi Plan of Action are summarized in the following table.

Objective: Guarantee the organization, production, distribution, exhibition and preservation of the products of African cultural industries

Economic	Social	Political
Generate new resources for the economic development of Africa and the creation of new jobs and income-generation opportunities.	Strengthen the African cultural identify and creativity as well as broaden people's participation in endogenous cultural development.	Reduce the dependence on the wider world outside of Africa for the production and distribution of cultural goods.
Open up new markets for African culture in and outside of Africa.		Facilitate new institutional partnerships between the public sector, private sector and civil society such as within the framework of the UNESCO Global Alliance for Cultural Diversity and the New Partnership for Africa's Development.
Strengthen the African cultural identity and creativity as well as broaden people's participation in endogenous cultural development.	Strengthen the acknowledgement of the cultural dimension of sustainable development in Africa.	Adopt flexible responses to initiatives from the African private sector towards the development of cultural industries.
Strengthen the competitiveness of African cultural goods within the framework of globalization and the liberalization of markets.		
Improve national capacities for creating, producing, distributing and exhibiting cultural goods.	Bring about new and pluralistic forums of cultural expression supporting the installation of democracy in African societies.	Achieve better regional integration.
Strengthen private and community initiatives of small and medium-sized enterprises.		Strengthen the role of the private sector and civil society.
Enhance the organization and protection of creators.		Develop South/North cooperation as well as South/South cooperation and real partnership.
Set up an African Cultural Common Market and develop intra-African cooperation.		

The priority recommendations arising from the Nairobi Plan of Action are fourfold:

- to map existing cultural activities, structures, resources and products in all member States;
- to identify and consider regional and sectoral specificities and strengths to enable the rationalization of legislation, policies and resources;
- to conduct research to assess the economic impact of cultural industries and initiatives; and
- to establish regional cultural think tanks to source information and debate the status of each subsector.

[1] The Observatory of Cultural Policies in Africa has been assisting African governments and promoting private-sector initiatives aiming at better coordination of cultural policies on the continent. It has developed a network for sharing regular international information and promoting regional initiatives. See: http://ocpa.irmo.hr/resources/ref/AU_POA_Industries_2005-en.pdf .

CHAPTER 9

The international dimension of creative-industries policy

9.1 The international policy framework

Multilateral processes are the essence of international policies and the driving force to move forward the international economic and development agenda. As the evidence presented in chapter 5 shows, the creative economy is growing and innovating at an unprecedented rate in regions that previously were lagging behind the development curve. The creative economy cannot be seen in isolation, however. Global processes play a key role in shaping public policies at the national and international levels. Multilateral negotiations and intergovernmental debates taking place in international organizations, particularly in the context of the United Nations family and the WTO, are paramount to advancing international action and to ensuring that the full economic and development benefits of the creative economy are realized in developing countries.

The creative economy emerged within an international policy framework highly influenced by the Millennium Declaration that was unanimously adopted at the United Nations General Assembly in 2000 by the international community, comprising 192 Member States. For the achievement of the Millennium Development Goals (MDGs), a series of policy instruments have been articulated by the United Nations bodies to assist developing countries in the process of implementation, as discussed in chapter 1. The most important multilateral decisions taken at the beginning of the third millennium and of particular relevance to the creative economy were: the Programme of Action for the Least Developed Countries for the Decade 2001-2010, the UNCTAD XI São Paulo Consensus, and the Declaration of Principles and the Plan of Action of the World Summit on the Information Society. Furthermore, the Doha Development Round was launched by WTO in 2001. More recently, the UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions entered into force in March 2007, and the WIPO Development Agenda was adopted in October 2007. All these multilateral processes have in common the fact that they have placed development at the heart of their concerns and actions.

In this context, the creative economy, in bringing a more holistic approach to development by dealing with economic, cultural, social and technological issues, offers some possible options to support developing-country efforts to foster development in line with the MDGs. This chapter highlights the mandates and the work being carried out by the United Nations organizations collaborating in this endeavour.

9.2 UNCTAD: Creative industries on the economic and development agenda

UNCTAD has been proactive in promoting international policy action to assist developing countries to enhance their creative industries and hence their creative economy for trade and development gains.

9.2.1 | UNCTAD X: Audiovisual services

At the tenth session of UNCTAD (UNCTAD X) held in Bangkok, Thailand, and attended by representatives of 168 member States, the UNCTAD secretariat was

mandated to carry out research and analysis with a view to formulating policy recommendations in the area of trade in services, including audiovisuals.[1] An intergovernmental Expert Meeting on Audiovisual Services was convened by UNCTAD in 2002 in close collaboration with UNESCO. This intergovernmental forum provided insights to assist developing countries to examine the issues relating to trade in audiovisual services and formulate positions in the context of WTO negotiations, particularly as regards the General Agreement on Trade in Services (GATS) and the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement).

Box 9.1 Television and soap operas

TV Globo is a Brazilian broadcast television channel whose signals reaches 183 million viewers with its continental range. It offers a rich range of programming at no cost to millions of homes across the country, from entertainment to news, helping to spread a variety of points of view as it strives to constantly innovate both in format and language. With its continental reach, TV Globo touches all creeds, classes and geographic regions and has emerged as one of the most valuable tools for preserving the nation's cultural heritage not merely because of its commanding geographical presence but also as a source of inspiration for literature, theatre, film, music and the visual arts. There are no limits to exploring the frontiers of knowledge on television, only the challenge of making complex ideas easily comprehensible without becoming superficial, and reporting what is essential and true to the widest possible audience. This is the daily demand of television, a job that calls for both professionalism and sensitivity.

TV Globo's rise as a major production centre (generating some 2,500 hours of entertainment programming a year) and as a training ground for actors, directors, screenwriters, technicians and producers also creates valuable spin-offs in the audiovisual industry, from independent production companies to the growing market for Brazilian-made films. The network's artistic footprint falls far beyond national borders. Exporting programming to over 150 countries, it is no exaggeration to say that Globo has become Brazil's cultural ambassador to the world. TV Globo employs 18,000 people and has 5 channels and 116 affiliates.

But Globo also strives to fortify civic responsibility and awareness even as it entertains. Among privately owned networks, we are world pioneers in systematically working themes of social relevance and matters of public interest into our everyday programming grid – without the slightest interference from sponsors or a cent in government funding.

Today, TV Globo reaches audiences across the world. In 2006, it exported 64 programmes to 73 countries worldwide, a veritable cultural blitz representing 25,000 hours of licensed airtime. Not to mention TV Globo International, the first Brazilian 24-hour channel to be beamed by satellite to Brazilians and Portuguese speakers abroad. Launched in 1999, this channel now airs in 104 countries and boasts more than 420,000 premium subscribers. More than 300 productions were sold to 130 countries.

In recent years, TV Globo has also brought an innovative social dimension to its sports coverage. Whether in publicity drives, straightforward reporting or though outright entertainment, TV Globo widens its lens beyond the thrill of competition to capture how sporting events can serve as a springboard for social inclusion. Calling on sports figures from famous athletes to physical education instructors, we strive to demonstrate the importance of education, discipline, dedication, respect, and solidarity as well as the need to overcome adversity.

If TV Globo's programming plays a central role in Brazilian society, our contribution to the media industry and the national economy as a whole is no less remarkable. Advertisers themselves tell of how TV Globo's high programming standards raised the bar for their own industry, driving commercials to new levels of technological sophistication and creativity. No wonder Brazilian television advertising has won applause and prizes the world over. In Brazil, the vast majority of advertisers are small and medium-sized companies and agribusiness, which together provide most of the jobs in the formal economy.

All these initiatives and the community response they generate are part of the process of creating what might be called the "public value" of broadcast television, represented here by the Globo Network. Building public value is a goal prized by institutions the world over and one that a private company such as TV Globo managed to achieve thanks to the democratic choice of our viewers – a partnership that has kept us in synch with Brazil for more than 40 years.

This record of accomplishment is what gives us the will to keep on working, to the best of our abilities, to advance social development and so to carry out our mission to create, produce and disseminate top-quality products that inform, educate and entertain to better the lives of individuals and their communities. After all, in the very document that lays down our institutional vision and principles, we define the media as an instrument of a social organization that turns the quest for the common good into a reality.

By Luís Erlanger, Director, Central Globo de Comunicação/TV Globo, Brazil.

[1] See "Audiovisual services: Improving participation of developing countries", note by the UNCTAD secretariat (UNCTAD document TD/B/COM.1/EM.20/2), September 2002.

9.2.2 | Third United Nations Conference on the Least Developed Countries: Music

At the Third United Nations Conference on the Least Developed Countries, organized by UNCTAD in its capacity as the United Nations focal point for issues relating to the LDCs and held in Brussels in May 2001, the music industry became part of intergovernmental debates.[2] The rationale was to sensitize governments of LDCs to the fact that the richness of the poorest countries lies in the abundance of their talents translated into cultural expressions such as music and dance, which in turn have significant economic value. Recalling that recorded music products worldwide were part of a $50 billion market, far exceeding the markets for traditional commodities, the Secretary-General of UNCTAD emphasized that "the music industry feeds into a wider policy discussion about how to diversify economic activity in LDCs".[3] As follow-up, a series of studies were carried out to examine the economic potential of the music industry to improve earnings from trade and IPRs in a number of developing countries, particularly in the LDCs and SIDS.[4] These studies paved the way for policy initiatives and technical assistance projects to strengthen the music industry in some countries, particularly in Africa and the Caribbean.

9.2.3 | UNCTAD XI: Creative industries – A turning point

In 2004 at the UNCTAD XI Ministerial Conference held in São Paulo, Brazil, the topic of creative industries was introduced into the international economic and development agenda[5] for the first time on the basis of recommendations made by the High-level Panel on Creative Industries and Development. The São Paulo Consensus, negotiated among 153 countries,[6] stated that:

> *"...Creative industries can help foster positive externalities while preserving and promoting cultural heritages and diversity. Enhancing developing countries' participation in and benefit from new and dynamic growth opportunities in world trade is important in realizing development gains from international trade and trade negotiations, and represents a positive sum game for developed and developing countries"* (paragraph 65).

- *"...The international community should support national efforts of developing countries to increase their participation in and benefit from dynamic sectors and to foster, protect and promote their creative industries"* (paragraph 91).

Member States "recognized that creative industries represent one of the most dynamic sectors in the global trading system" and that "their dual economic and cultural functionality calls for innovative policy responses".[7] The High-level Panel, with the presence of the United Nations Secretary-General, stated that "special measures were needed for the development of creative industries at the international level, particularly in the trade and financing arena and in ensuring cultural diversity in developing countries" and that "The need for increased and better coordinated international efforts was highlighted with a view to the promotion of more collaboration among different international agencies and the investment community".[8]

In discharging its mandates, UNCTAD has been shaping a number of international and national policy initiatives in the area of creative industries and the creative economy. In this regard, it built synergies among the United Nations organizations, aiming at exploring complementarities, undertaking joint technical cooperation projects and promoting more effective concerted international actions. In this spirit, the United Nations Multi-Agency Informal Group on Creative Industries was set up in 2004. The Group, which brings together ILO, ITC, UNCTAD, UNDP, UNESCO and WIPO, maintains a regular dialogue and meets twice a year in Geneva. This has paved the way for partnerships and prompted a new impetus for collaborative initiatives, taking into account the competencies, mandates and differentiated approaches of the bodies involved. A concrete example of such initiatives is this Report, which is a pioneer example of cooperation involving contributions from five collaborating organizations in a joint endeavour to improve policy coherence and the impact of international action on issues relating to the creative economy.

[2] See Third United Nations Conference on Least Developed Countries, "Music Industry Workshop: Proceedings of the Youth Forum" (document UNCTAD/LDC/MISC.82), New York and Geneva, 2003.
[3] Opening statement by R. Ricupero, Secretary-General of UNCTAD, at the Youth Forum, 19 May 2001, cited in "Music Industry Workshop: Proceedings of the Youth Forum" (document UNCTAD/LDC/MISC.82).
[4] Reference to case studies by the UNCTAD/WIPO research project on the Caribbean music industry.
[5] Deliberations based on "Creative Industries and Development" (UNCTAD document TD(XI)BP/13), 4 June 2004.
[6] See São Paulo Consensus, contained in the Report of the United Nations Conference on Trade and Development on its eleventh session (UNCTAD document TD/412), 20 August 2004.
[7] See High-level Panel on Creative Industries, 13 June 2004, Summary prepared by UNCTAD secretariat (UNCTAD document TD/L.379), 16 June 2004, para. 4. Available at: http://www.unctad.org/en/docs/tdl379_en.pdf .
[8] Ibid., para. 7.

9.2.4 | UNCTAD XII: From the creative industries to the creative economy

A High-level panel on creative economy and industries for development met on 14-15 January 2008 in Geneva as an UNCTAD XII pre-conference event. The session was attended by eminent government officials, policy-makers, experts and practitioners from the cultural and creative community and academia from 49 countries, 19 international organizations and 9 non-governmental organizations. The Panel was convened by the Secretary-General of UNCTAD with the aim of assisting Member States in their deliberations on this topic at UNCTAD XII.[9] The session had three main objectives: (a) to provide a platform for progress in the intergovernmental debate in the area of the creative industries and the emerging creative economy; (b) to review the work undertaken by the UNCTAD secretariat in fulfilling its mandate on this innovative topic, reassert its role and identify areas for possible future work; and (c) take stock of progress made on the analytical and policy agenda surrounding the creative economy.

It was recognized that UNCTAD XI had for the first time introduced the topic of creative industries into the international economic and development agenda. UNCTAD had, in line with its mandate (São Paulo Consensus, paras. 65 and 91), played a key role in sensitizing Governments to the potential of the creative economy to foster trade and development gains, promoting policy-oriented initiatives and enhancing cooperation with countries, institutions and the international community at large.[10]

The panel discussed policy strategies, multilateral processes, national experiences, assessment tools, and areas for international cooperation aiming at enhancing creative capacities in developing countries. The panel recognized that UNCTAD's work in the area of the creative economy and the creative industries should be pursued and enhanced. Participants manifested support for UNCTAD to strengthen synergies with the United Nations agencies, in particular with the UNDP Special Unit for South-South Cooperation, UNESCO, WIPO and ITC. It was also felt that UNCTAD should continue to fulfill its mandates and assist Governments on issues related to the development dimension of the creative economy, in line with the three pillars of UNCTAD's work: (a) consensus-building, by providing a platform for intergovernmental debates; (b) policy-oriented analysis, by identifying key issues underlying the creative economy and the dynamics of creative industries in world markets; and (c) technical cooperation, by assisting developing countries to enhance their creative economies for trade and development gains.

Furthermore, two other important events will be held in the context of the twelfth session of the quadrennial Ministerial Conference of UNCTAD in Accra, Ghana, from 20 to 25 April 2008: (a) the launching of this first *Creative Economy Report*[11] by the Partnership UNCTAD-UNDP Special Unit for South-South Cooperation as the first multi-agency study to present the United Nations perspective on this emerging topic; and (b) the Creative Africa Initiative.[12]

Creative Africa is an initiative put forward by the UNCTAD secretariat with a view to bringing greater pragmatism to the policy debates. The aim is to showcase the diversity of African culture and the vigour of African creative industries through a series of cultural events during the Conference. Creative Africa will mark the starting point of a strategy to strengthen the creative economy so as to foster development in Africa. The events will spotlight the continent's visual arts, music, dance and fashion. It will be a tool for promoting government and business interests and to open up new avenues to effective international cooperation. The Creative Africa concept is based on ownership and partnerships including all stakeholders. Famous African artists will perform with the aim of advancing the development cause and putting in place a sustainable strategy to build a robust creative economy in Africa. Encounters will provide a platform to shape business, investments, partnerships and international cooperation through action-oriented initiatives.

[9] See Secretary-General's high-level panel on creative economy and industries for development, Background paper prepared by the UNCTAD secretariat (document TD(XII)/BP/4), 17 January 2008, available at: http://www.unctad.org/en/docs/tdxiibpd4_en.pdf. For further details about the meeting, consult: http://www.unctad.org/Templates/Meeting.asp?intItemID=1942&lang=1&m=14639&year=2008&month=1

[10] See Outcome of the Secretary-General's high-level panel on creative economy and industries for development, Note prepared by the UNCTAD secretariat (document TD(XII)/423), 7 February 2008, available at: http://www.unctad.org/en/docs/td423_en.pdf.

[11] http://www.unctadxii.org/en/Programme/Creative-Africa/Launch-of-the-Creative-Economy-Report/

[12] http://www.unctadxii.org/en/Programme/Creative-Africa/

9.3 WTO multilateral negotiations and implications for creative industries

The ongoing multilateral trade negotiations under the WTO Doha Development Round, launched in 2001 and intended to be concluded in 2005, faced impasses and has remained inconclusive to date in 2008. These negotiations involve many cross-cutting issues relevant to the creative industries, such as trade in goods, trade in services, trade-related aspects of intellectual property rights (TRIPS) and other topics such as trade-related investment measures (TRIMs), regional integration, competition policies and trade efficiency, with the most important among them being special and differential treatment for developing countries.

The WTO framework deals with trade of goods and services of the creative industries, including trade of digitized creative content associated with ICT tools. Audiovisuals, cultural and other related services are discussed under the General Agreement on Trade in Services (GATS). However, there are problems related to definitions. Although the term "cultural goods and services" is the one used in WTO negotiations, there is no specific definition for "cultural services", which is widely considered as a subsector in the broader category of "communication services" and very often, data for audiovisuals are credited in other sectors such as telecommunications. This makes it even more difficult to articulate trade policies in this area.

IPRs and investment-related policies also have a long-lasting impact on the performance of creative industries and therefore on the development agenda of developing countries. Trade policy-making and other ancillary government interventions are necessary to assure the implementation of bound commitments and obligations under bilateral investment treaties (BIT), TRIPS provisions, WTO rules, regional trade agreements (RTAs) and free trade areas (FTAs), taking advantage of the flexibilities available for developing countries. The lasting effect of these instruments is to influence supply capacity and stimulate trade performance in all sectors of the creative industries.

9.3.1 | General Agreement on Trade in Services

The General Agreement on Trade in Services (GATS) governs trade in cultural and entertainment services. It has built-in flexibilities that can be used by both developed and developing countries. Nevertheless, developing countries need to ensure that these flexibilities are implemented and operationalized. These flexibilities may allow for the phasing in of disciplines according with the level of development and are an important tool for strengthening the creative industries in developing countries. They include the right to regulate; the right to provide due respect for national policy objectives; the positive list approach to undertaking commitments on market access and national treatment; the possibility of attaching limitations and conditions to market access and national treatment; the possibility of not making commitments on audiovisual services; most-favoured-nation exemptions; and the possibility of leaving subsidies unbound. At the negotiations on domestic regulations, developing countries are trying to ensure a balance between disciplines that effectively underpin market access commitments on the one hand, and maintaining sufficient policy space and flexibility on the other, with a view to putting in place the policies that they need in the pursuit of development objectives, including protection of cultural diversity.[13]

During 2007, little progress was made in liberalizing trade in services in general and in audiovisuals in particular. The controversies surrounding trade in audiovisuals remain.[14] One group of countries has the perception that audiovisuals deserve special treatment as they are inherently cultural products, and this group is determined to retain its ability to use policy measures to support its domestic cultural industries as a public good. Others argue that audiovisual services as entertainment products should be treated like any other sector, calling for greater commitments by members as well as for the discussion of new disciplines. This policy interface has also come up in several regional trade agreements such as the Central American-Dominican Republic Free Trade Agreement (CAFTA), the

[13] "Reconciling cultural and international trade policies", paper by E. Dos Santos, UNCTAD, presented at the Conference on Cultural Diversity organized by the German Commission for UNESCO, May 2007.
[14] See UNCTAD, *Creative economy and industries newsletter*, No. 5, April 2007, p. 3.

North American Free Trade Agreement (NAFTA) and a large number of FTAs. As a result, very few countries have made commitments regarding cultural services. By and large, developing countries have taken the position that liberalization of services remains the way forward but that progressive liberalization is the preferred path.[15]

Mobility of talent is a crucial element for the export of creative and cultural services from developing countries to global markets. There are four modes of supply for trading services. Mode 4 on the temporary movement of natural persons (that is, the provider of the service crosses the border) is of particular relevance to developing countries since it would include services provided by theatrical producers, singer groups, bands and orchestras, authors, composers, sculptors, entertainers, dance instructors and other individual artists in global markets.

Box 9.2 Puppet planet

A puppet is a manmade object, usually but not necessarily representing a character, operated directly by a puppeteer or indirectly by the use of strings or by another mechanical means or by remote control. In contemporary puppet theatre, puppets are often called a "creative object", classified under the performing arts. Puppetry involves manipulating these objects and is found in almost all human societies both as entertainment and ceremonially in rituals and celebrations such as the Brazilian carnivals.

Romania figures among the European countries that have active puppet theatres. It is one of the eight co-founder countries (jointly with Austria, Bulgaria, Czechoslovakia, France, Germany, Yugoslavia and the Soviet Union) that created the International Union of Puppet Artists (UNIMA), a decision taken in Prague in May 1929. It is noteworthy that from the point of view of cultural history, UNIMA was the first international body in the world of theatre at large. UNIMA, an NGO affiliated to UNESCO, brings together people from around the world who contribute to the development of the art of puppetry with the objective of using this art in the pursuit of human values such as peace and mutual understanding between peoples regardless of race, political or religious convictions and differences in culture, in accordance with the respect for fundamental human rights as defined in the United Nations Universal Declaration of Human Rights of December 1948. The Romania UNIMA National Centre implemented innumerable initiatives under the leadership of Margareta Niculescu, who was elected as a member of the International Executive Committee of UNIMA and then as President of this organization in 2000.

Its most important puppet theatre is the Tandarica Puppet Theatre, founded in 1945 in Bucharest. In 1949, Tandarica was declared a State theatre and Margareta Niculescu was nominated director of the company. She created a strong group of competent designers, directors and puppeteers who made Tandarica world-famous. The holding of the First International Festival of Puppet Theatre in Bucharest in 1958 was a very important moment in the history of the Romanian puppet theatre. The Romanian artists had the opportunity to see the best performances of the best companies from over 50 countries.

Today, Tandarica has over 80 employers sustaining around 300 annual performances in the two theatres. As a repertory theatre subsidized by the State budget through the Bucharest Municipality, Tandarica Theatre has deliberately chosen to offer low ticket prices, a practice that opens wide the theatre doors to an audience stemming from all social categories. In an agreement with the Ministry of Education of Romania, the schoolchildren are allowed to attend performances during their school courses and the theatre provides transport from the school to both theatres. All these elements result in the children's greater interest in these special performances.

During the 2005-2006 season, Tandarica gave performances to 70 000 people. Since its birth, it has produced over 200 creations. All of them draw their inspiration from the marvellous tales pertaining to the Romanian as well as to universal culture. In its permanent portfolio, Tandarica offers specific puppets shows for all age groups, from small children to adults. Most of the shows are presented in the Romanian regions and on almost all the continents, with over 100 tours in more than 40 countries. The company organized six international festivals and two national ones and participated in 20 national festivals and 40 international ones, becoming one of the best-known puppet theatres, appreciated all over the world and proving to be a strong ambassador of the Romanian culture abroad.

International festivals and international tours are very important tools to stimulate a constant renewal of the puppet theatre. A number of festivals are organized worldwide. The most famous in the world is the "Festival international de la marionnette de Charleville-Mézières" in northeastern France. This event takes place for two weeks every three years, gathering puppet companies from more than 130 countries from around the world for an international public of over 130,000 spectators. In this regard, it must be stressed that governments should facilitate the free circulation of artists to present and promote their creations in global markets and offer their services. The puppet theatre should remain a valuable traditional expression of cultural diversity to advance the intercultural dialogue in our society.

By Liviu Berehoi, master puppeteer who has worked for more than 25 years for the Tandarica Theatre and who is a regular collaborator on the Théâtre des marionnettes de Genève.

[15]UNCTAD is currently monitoring and assessing the evolution of the Doha Round and assisting developing countries to improve their skills and negotiating capacities to prepare proposals in order to obtain a balanced result and a substantive development package of benefits.

Under market-access commitments, WTO members may inscribe in each mode of supply quantitative restrictions or numerical quotas restricting the numbers of providers, total value of services transactions or assets, number of services operations, limitation of the total number of natural persons that may be employed in a particular service sector, type of legal entity or joint venture to provide a service, and limitation on the participation of foreign capital.

Provisions on services and temporary movement of labour are now common in many regional trade agreements. Given the nascent state of the services sector in developing countries, the implications of North-South reciprocal opening of the services market for developing countries need to be carefully assessed. Adequate pacing and sequencing between domestic reform and regional and multilateral liberalization are important.[16]

The treatment of issues related to the creative industries including audiovisuals is challenging and open ended because there is no universal international trade agreement applied to trade in cultural goods and services that covers all the issues of the trade agenda. In the absence of such an agreement that explicitly and exclusively deals with cultural trade and investment per se, there are instead many trade agreements administered by WTO – GATS in particular – as well as regional trade agreements that affect the terms by which cultural goods and/or services are traded across borders (together with other goods and services that are not cultural in nature).[17]

9.3.2 | Implications of multilateral and regional trade agreements for creative industries

Trade agreements influence trade flows of cultural goods and services as a result of the mutual granting of most-favoured-nation treatment among signatories, which is the fundamental principle of trade commitments and commercial relations among countries.

The WTO rules recognize the right of contracting parties to liberalize trade in goods in accordance with Article XXIV and the enabling clause of GATT and trade in services in accordance with Article V of GATS within the framework of economic unions such as the European Union, RTAs such as ASEAN and MERCOSUR, and FTAs such as NAFTA. WTO has been notified of more than 300 agreements such as RTAs and FTA among WTO members.[18] The main implications of these agreements for creative industries is that trade flows, i.e., imports and exports of creative industries and the IPRs, are subject to binding commitments and multilateral disciplines that might be enforceable by dispute settlement. The cultural exception to audiovisual services implies the non-application of the "once-in-time exception" of most-favoured-nation treatment to audiovisual services, which allowed the concerned countries to exclude audiovisual from their schedules of commitments under the GATS in the commitments appended to the Final Act embodying the results of the Uruguay Round of Multilateral Trade Negotiations signed in Marrakech in 1994.

RTAs such the Andean Community, ASEAN, CARICOM, the Central American Common Market (CACM), the Common Market for Eastern and Southern Africa (COMESA), MERCOSUR and SADC have universal coverage and commitment to full liberalization within a reasonable length of time. These agreements include special provisions for cultural trade and common disciplines applied to many segments of cultural industries. FTAs such as CAFTA, NAFTA and bilateral treaties of the United States with Chile have specific provisions or exclusions in negative lists of some sectors.

In addition to specific commitments, members may also include additional commitments. This may allow the countries to undertake commitments on cultural services and audiovisual services under transparent conditions of standards, licensing and administrative procedures. These additional commitments requires incumbent countries to update regulations on creative industries by implementing non-"trade distorting" standards, licensing requirements and administrative procedures that nullify or impair a specific commitment.

9.3.3 | TRIPS Agreement

In respect to the provisions of the TRIPS Agreement, topics relating to the creative economy such as the protection of traditional knowledge and folklore have not received prominent attention in the WTO Doha Round, where negotiations have focused on biotechnology and traditional medicines.

[16] At the 2007 session of the UNCTAD Commission on Trade in Goods and Services and Commodities, governments considered issues relating to trade in services and development implications on the basis of a note prepared by the UNCTAD secretariat entitled "Trade in Services and Development Implications" (document TD/B/COM/1/85), 2 February 2007.
[17] Craig Van Grasstek, Treatment of Cultural Goods and Services in International Trade Agreements.
[18] These agreements must meet two main conditions: the non-exclusion a priori of sector and substantive coverage in terms of volume and value of trade affected. For services, there is the obligation to grant national treatment together with market access.

Undoubtedly, one of the critical issues for the cultural and creative industries is copyrights and neighbouring rights, in particular the need to reinforce domestic copyright legislation and institutions. This topic should remain at the core of the IPR debate since there is a need to push the boundaries of existing models and explore innovative solutions that will maximize the benefit of the creative economy in developing countries, seeking social inclusion and equitable development as a primary objective. Lacunae in the current IPR regimes are being dealt with at the international level by WIPO in the context of the Development Agenda.

The work of WIPO in the area of cooperation is closely interwoven with governmental and intergovernmental cooperation, including the WIPO agreement with WTO to assist developing countries in the implementation of the WTO TRIPS Agreement. The challenge of development is compounded by rapid technological and scientific progress. WIPO assists countries to identify and to promote international solutions to the legal and administrative problems posed by digital technology to the traditional notions and practices of intellectual property. A better interface between development programmes implemented by WIPO for developing countries and other bilateral, multilateral and international organizations involved with intellectual property and economic development issues is required to maximize synergies.

9.4 UNESCO cultural-diversity perspective

The Intergovernmental Conference on Cultural Policies for Development convened by UNESCO in Stockholm in 1998 after several years of research and preparation was part of the growing international interest in identifying more successful models for sustainable development. The main goal of UNESCO for the Stockholm Conference was to transform the ideas behind this initiative into more clearly formulated cultural policies and modalities for international cultural cooperation. The Conference concluded that cultural policies as the true driving force in cultural diversity must foster the production and dissemination of diversified cultural goods and services, especially in terms of the promotion of cultural industries and creative enterprise in all countries.

In recent years, the United Nations has increasingly recognized the inalienable role of culture in development and has focused programming accordingly. The preoccupation in this regard was summed up in General Assembly Resolution 57/249 of 20 February 2003 on Culture and Development. The resolution directly commented on the potential of cultural industries for poverty reduction:

5. Invites all Member States, intergovernmental bodies, organizations of the United Nations system and relevant non-governmental organizations:

   . . . (e)(iii) To establish cultural industries that are viable and competitive at the national and international levels, in the face of the current imbalance in the flow and exchange of cultural goods at the global level;

   . . . (i) To assess the interconnection between culture and development and the elimination of poverty in the context of the First United Nations Decade for the Eradication of Poverty (1997-2006).

The importance of culture in development strategies was underscored with the adoption of the Universal Declaration on Cultural Diversity by the UNESCO General Conference in November 2001 and endorsed by the United Nations General Assembly in 2002. For the first time, cultural diversity was acknowledged as "the common heritage of humanity" and its defence was deemed to be an ethical and practical imperative, inseparable from respect for human dignity. The concept of "diversity" stipulated that plurality is the necessary requirement for freedom and that, in political terms, such pluralism is inseparable from a democratic society. The Declaration stated that "Freedom of expression, media pluralism, multilingualism, equal access to art and to scientific and technological knowledge, including in digital form, and the possibility for all cultures to have access to the means of expression and dissemination" constitute essential guarantees of cultural diversity and of development. Though it also represents a challenge to cultural diversity, the globalization of the economy and trade creates the conditions for a renewed dialogue among cultures and civilizations based on human rights and respect for their equal dignity. The Declaration led to the approval of the Convention on the Protection and Promotion of the Diversity of Cultural Expressions by the UNESCO General Conference on 20 October 2005.

The ultimate goal of the Convention is to give all countries the means to protect and promote the diversity of cultural expressions within and outside their borders. Cultural diversity is simply a mainspring of sustainable development that States must activate by adopting appropriate measures.[19]

The Convention recognizes the sovereign right of States to elaborate cultural policies to promote the diversity of cultural expressions within their borders, and to encourage equitable access to all cultural expressions in the world. Parties to the Convention are committed to facilitating cultural exchange within their borders as well as with other countries. In June 2007, the Conference of Parties, the supreme decision-making body of the Convention, adopted its rules of procedures and elected the 24 members of the Intergovernmental Committee that will operate under its supervision. The States Parties elected to the Committee are: Albania, Austria, Brazil, Burkina Faso, Canada, China, Croatia, Finland, France, Germany, Greece, Guatemala, India, Lithuania, Luxembourg; Mali, Mauritius, Mexico, Oman, Saint Lucia, Senegal, Slovenia, South Africa and Tunisia. In order to ensure the geographical representation of all regions and in conformity with agreements made during the meeting, several seats on the Committee were reserved for developing countries. The Intergovernmental Committee will be responsible for, among other things, promoting the objectives of the Convention, encouraging and ensuring its implementation and preparing operational directives. The first meeting of the Committee was held in December 2007 in Ottawa, Canada.

Box 9.3 Cultural tourism: Impressions of the Peruvian experience

Why cultural tourism is a way to reduce poverty but also a risk for the preservation of traditional peoples' values

Peru is a country with a rich and varied nature, a place of contrasts. People have a thousand-year-old culture of building irrigation channels, which enables them to cultivate areas that previously were desert. Its heritage, including the ancient Inca Empire, Cuzco and the lost city of Machu Picchu, is spectacular.

Peruvian traditions are distinctive and cultural tourism appears to be a good alternative to increase people's quality of life and self-esteem, creating new jobs, economic growth and development. One may think it is an easy task. Peru has forests, beaches and mountains, archeological sites, indigenous peoples with a rich tradition of arts and crafts; it offers adventure. So it would seem that it is only a question of advertising – and tourists, certainly, will respond. And they have responded. Tourism is the third most important economic activity in Peru, employing 500,000 people to serve the 1.6 million visitors who spent $1.5 million in the country in 2006. Certainly, tourism helps them to live more comfortably and thus the measured Peruvian quality-of-life indexes increase.

Cuzco is a beautiful colonial city, ranking seventh in Peru in number of inhabitants – 304,152. The historic capital of Peru, Cuzco was declared as Patrimony of the Humanity by UNESCO in 1983. It used to be mainly a farming and mining region, but in the last several years, tourism has come to be its main economic activity. The central square of Cuzco looks like a shopping mall, and there are animated parties at night. The city is experiencing steep economic growth. From 2005 to 2006, employment rose 6 per cent and the tax revenue increased 168.9 per cent. From this perspective, the expansion of historical and cultural tourism is very good news.

Machu Picchu is the hidden fortress of the ancient Inca Empire. Discovered by the western world only in 1911, it is a breathtaking experience to visit its palaces, temples and over 150 buildings, most of them six centuries old. There, one can fully appreciate the complexity of the hybrid culture born from the fusion between Spanish and Inca. And it comes as no surprise that the number of visitors to Machu Picchu ruins increases by 5 per cent a year.

People who live in the little town of Ocongate, which is also atop the Andean mountains, hope to have similar fate. This because there is an image of the Lord of Qoyllur Rit'i (which in Quechua means something like Snow of Stars) carved in the rock at the top of the 6,362-metre mountain Ausengate. And there is a traditional festival to honor the Lord of Qoyllur Rit'i that attracts more than 10,000 people from many countries every year. Investments have been made, the road is improving, people are building new places and restoring old ones to attract more tourists – and they are already arriving. However, such results need to be achieved without people losing something that is fundamental to their success: authenticity.

Cultural tourism is an important topic when we think about the creative economy as a way of reducing poverty, especially in developing countries. But there are many challenges for policy-makers in this field. What is really needed are sustainable projects, designed with a solid basis, so that real people – with unique skills and knowledge – are not transformed into actors with no substance.

By Eliana G. Simonetti, journalist.

[19]For more information on the Convention, see Ten Keys to the Convention on the Protection and Promotion of the Diversity of Cultural Expressions, UNESCO, 2005, and L'UNESCO et la question de la diversité culturelle 1946-2007, Bilan et Stratégies (UNESCO internal document CLT/CPD), 2007.

9.5 WIPO Development Agenda

At the WIPO General Assembly in 2004, two developing countries, Argentina and Brazil, put forward a proposal to introduce a Development Agenda for WIPO,[20] with a view to addressing the needs and concerns of developing countries with regard to IPRs. Another 12 developing countries supported the proposal and negotiations have started. In June 2007, WIPO Member States reached an agreement on a WIPO Development Agenda, a set of proposals aimed at closer integration of the development dimension into policy-making in the field of intellectual property protection. The 45 agreed proposals recommended to the WIPO General Assembly for action are grouped into the following six broad clusters:

- technical assistance and capacity-building;
- norm-setting, flexibilities, public policy and public domain;
- technology transfer, information and communication technologies and access to knowledge;
- assessment, evaluation and impact studies;
- institutional matters, including mandate and governance; and
- other issues.

Among the agreed proposals, many make direct reference to the creative industries or to copyright and/or the protection of creative works. For example, one proposal calls for a greater emphasis on the cultural industries in WIPO technical assistance activities, and another mentions the importance of strengthening national capacity for the protection of domestic creations. In addition, several proposals deal with issues that are relevant to copyright and the creative industries without explicitly referring to them. These include, for example, proposals calling for deepening the analysis of a rich and accessible public domain, expanding the scope of activities aimed at bridging the digital divide, promoting pro-competitive licensing practices, initiating discussions on how to further facilitate access to knowledge and technology, and undertaking new studies to assess the economic, social and cultural impact of the use of intellectual property systems in Member States.

Furthermore, there are a number of agreed proposals that outline principles that WIPO is to follow when conducting development-related activities, such as technical assistance or norm-setting, including in the field of copyright and other areas that may be of relevance to the creative industries.

The June 2007 Meeting of the Provisional Committee on Proposals Related to a WIPO Development Agenda (PCDA) also recommended the establishment of a Committee on Development and Intellectual Property (CDIP) to plan, monitor, assess and report on the implementation of the WIPO Development Agenda. Such a Committee would also have a broader mandate to discuss intellectual property and development-related issues. It would therefore be a forum in which Member States could present new issues of concern that relate to intellectual property and development, including issues of relevance to the creative industries.

As regards intellectual property and genetic resources, traditional knowledge and folklore, the WIPO Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore[21] recommended that the WIPO General Assembly renew its mandate to continue its work and the negotiations on core issues, in particular the protection of traditional knowledge and traditional cultural expressions, focusing on the quest for more effective protection against misuse and misappropriation. This Committee is examining a draft sui generis system for the protection of traditional cultural expressions that could perhaps provide a framework for a new international instrument.[22] Another key question before the WIPO Intergovernmental Committee is what form any outcome of its work should take. Many are calling for an "internationally binding legal instrument". Others are more cautious, preferring to leave a decision as to the form of an outcome until such time as its content is clearer.

[20] See WIPO Press Release, "Member States Adopt a Development Agenda for WIPO" (PR/2007/542), 1 October 2007.
[21] See http://www.wipo.int/tk/en/folklore/
[22] For a summary of the draft and references to the full draft, see: http://www.wipo.int/tk/en/consultations/draft_provisions/pdf/tce_provisions_summary.pdf.

9.6 UNDP: Engaging developing countries in the creative economy for development

The UNDP Special Unit for South-South Cooperation was established by the United Nations General Assembly in 1978 to promote, coordinate and support South-South and triangular cooperation worldwide and to facilitate the activities of the United Nations system in South-South initiatives. The Special Unit works closely with the Group of 77 (G-77) and China, the largest intergovernmental body in the United Nations, representing 133 developing countries, which provides the means for the countries of the South to articulate and promote their collective economic interests. Therefore, many multilateral processes are set in motion via debate at the level of the G-77 with implications in international and national contexts.

The Special Unit for South-South Cooperation and the G-77 engaged in the "Creative Economy for Development" agenda owing to the immense potential of developing countries but also of their marginal contribution to the rapid expansion of the global creative economy and their limited participation in the international flows of cultural goods and services. With the support of the G-77, the Special Unit began to mobilize the United Nations system to substantially build capacity along the entire value chain in developing countries so that the full benefits of their innate creativity could be fully realized in the South. Hence, the mission entrusted to the Special Unit by the G-77 in this context was to promote better understanding of the potential of the creative sector and the new opportunities that it could create for economic growth, poverty reduction, social inclusion and development in the South.

The Creative Economy for Development agenda began to be formulated at the Second South Summit of the G-77 and China that was held in Doha, Qatar, in June 2005. At the opening session, the Minister of Foreign Affairs and Foreign Trade of Jamaica, then the President of the G-77, recognized the global trends in Southern trade and requested "that developing countries explore new and dynamic ways of responding to these growing disparities". At the concluding session, delegates adopted two documents, one containing the recommendations on South-South cooperation and the other, recommendations on specific South-South projects. The document on South-South cooperation requested the Chairman of the G-77 to submit a study on new and dynamic sectors, including services and creative industries, and encouraged that arrangements be made for South-South sectoral cooperation.

As a response, the Special Unit for South-South Cooperation initiated an inter-agency dialogue in September 2005, followed by the Creative Economy Forum in Shanghai at the beginning of December of the same year. Outcomes of this Forum included a partnership with UNCTAD, the "Partnership for Technical Assistance for Enhancing the Creative Economy in Developing Countries", and the recommendation for the organization of a Creative Economy Expo, which would develop and reinforce market mechanisms for Southern creative goods and services. This initiative strengthened the partnerships that had begun with the United Nations Multi-Agency Informal Group on Creative Industries initiated by UNCTAD in 2004, and it reinforced commitment to the fledgling plans for an Expo. Later in 2005, the United Nations Day for South-South Cooperation highlighted creativity and diversity and called for the United Nations bodies to coordinate efforts with respect to the creative economy in order to bring about real development impact for developing nations.

Since then, the Special Unit for South-South Cooperation has continued to work with the G-77 and China and United Nations entities on increasing Southern attention to and support for the "creative economy for development" concept. It has championed an "International Forum on the Creative Economy", which had several meetings since the first meeting in Shanghai in December 2005, followed by another dialogue held in Jamaica in June 2006, in Rwanda in August 2006, and in Brazil in November 2006. These meetings received much attention and support and have given impetus to creative thinking, development of policy platforms and network-building.

A significant benefit of both the formal and informal dialogues facilitated by the Special Unit for South-South Cooperation is that they have created a flexible, responsive and open environment for stakeholders at different levels of government, the United Nations system and their partners to discuss the more sensitive or controversial topics relating to the creative economy. For example, this dialogue process has enabled the exploration of the critical issue of IPRs, a subject on which the G-77 countries have been very vocal. At the WIPO Development Agenda meeting in February 2006, the African Group laid out a seven-step plan that any meaningful discussion of IPRs and development should take into account. The discussions at the International Forum on the

Creative Economy for Development held in Rio de Janeiro, Brazil, in November 2006 provided an opportunity for this framework to be discussed and helped to expose some of these "growing tensions" in the developing world about the IPR debate.

Multilateral recognition was given to the value of this dialogue at the Paris Consensus, adopted by the Thirty-Ninth Meeting of the G-77 Chairman and Coordinators of the Chapters in February 2006: *"The emerging new dynamic economies of the South provide new and potential opportunities for taking South-South cooperation to a higher level of collective self-reliance through trade, investment and technological cooperation. In this context, we support the ongoing efforts by the Special Unit for South-South Cooperation organizing important initiatives to boost South-South cooperation . . . the Global South Creative Economy Expo; as well as other public-private partnership initiatives in new and dynamic sectors."*

Box 9.4 Nollywood: A creative response

Nollywood, the so-called Nigerian film industry, has been acknowledged as the third largest film industry in the world, after America's Hollywood and India's Bollywood. Nollywood produces more than 1,005 home video films annually. A total of 6,221 films were produced during the period 1997-2005; about 50 per cent are exported unofficially. There are well over 500,000 Home Video Distribution and Rental Clubs across the length and breadth of the country, thereby creating thousands of jobs as a result of the boom in the industry. Furthermore, the potential size of the Nigerian film industry has been estimated at more than N522 billion (that is, about $2.75 billion). The industry has generated revenue for the Government through corporate income and sales taxes; its estimated contribution to GDP is over N86 billion (nairas per US dollar: 127.38 in 2006).

Although film was introduced into Nigeria in 1903, film production actually began in 1948 but was limited to documentaries and newsreels. It was not until 1972 that the first commercial film was produced. The industry experienced a boom in the production of celluloid films in the 1970s but later witnessed a decline in the 1980s with the introduction of the Structural Adjustment Programme (SAP), which affected the cost of production. The Government established the Nigerian Film Corporation in 1979 to develop the sector. Through the programmes, policies and activities of the Corporation and efforts by other relevant institutions in the sector, the industry has grown to have a remarkable impact on the economic, social and cultural development of the country.

The socio-cultural impact of the film industry on the nation cannot be overemphasized. The benefits have been enormous as the films constitute an effective means of communication (education, entertainment, socialization, information and mobilization), projecting and promoting our national image such as values, art and rich cultural heritage to the outside world (it is being used as a medium for driving the Heart of Africa project, which is a cohesive information programme for Nigeria's image management and economic transformation). They also promote national cohesion and integration of the diverse cultures of the people as the Nigerian home video films have instilled a sense of national pride and patriotism in Nigerians at home and abroad.

Even though the Nigerian film industry has recorded impressive growth, the sector is still beset by challenges that impede its growth and development, constituting a major constraint to Nigeria's home video entry into the global market. The challenges include: an informal local and international distribution and marketing network; piracy of works produced by filmmakers; poor content and production quality; lack of production, distribution and exhibition infrastructure; absence of funding opportunities in the industry; inadequate requisite professional skills and training; lack of cohesion leading to industry fragmentation; and lack of industry data for planning and decision-making.

The Government, in recognition of the potential of the film industry for the development of the country, has taken positive steps in line with its reform programmes to reposition the film sector. These steps are in the areas of institutional and policy reforms, which include: (a) the institutional restructuring and reorganization of relevant federal government agencies in the film industry; (b) creating the necessary policy environment for the growth of the film industry; (c) training and capacity-building; (d) promotion of the Nigerian film industry; (e) production infrastructure; (f) the Film Development Fund; and (g) professionalizing the sector.

The private sector in Nigeria has been very active in the film industry by providing content and production as well as exhibition facilities in the country. However, it can also take advantage of the huge opportunities to invest in the sector. Areas of investment include training and capacity-building, film village development, distribution and marketing, equipment leasing/sales, and local manufacture/assembly of film equipment and consumables.

Home video is unique and particular to Nigeria as a format of film production and distribution. Several factors might account for this: the high cost of celluloid production and post-production, decaying exhibition theatre infrastructure, lack of trained professionals in cine film tradition, etc. Nigerian producers have therefore found an alternative, the video format, to provide entertainment for the people. They have equally perfected the distribution system, using existing informal trade channels and retail outlets of other complementary products, e.g., electronics stores, supermarkets, and hawking of the products.

The film and video industry, if properly developed, could be a very significant source of wealth for any country, particularly its contribution to GDP. It is also a very powerful tool for communication, education, cultural integration and image projection. It is both an art and an industry whose development should be of great national interest in terms of its social as well as its economic value.

By Afolabi Adesanyam, Federal Head of the National Film Corporation and Managing Director of the Nigerian Film Corporation.

Certainly, the emerging dynamic economies of the South provide new opportunities for South-South cooperation in trade, investment and technological cooperation, and momentum is increasing with respect to South-South cooperation and the creative economy. The 40th Meeting of the Chairman and Coordinators of the G-77 and China in 2007 stated explicitly that *"South-South cooperation needs to be intensified to ensure the effective participation of developing countries in the emerging global order and accelerate development".* Therefore, the Special Unit for South-South Cooperation continues to consider the furthering of the creative economy for development agenda to be a cornerstone of its mandate and a priority clearly identified by the member countries.

9.7 ITC: Creating business opportunities for creative industries

The International Trade Centre (ITC) is a joint technical cooperation agency of UNCTAD and WTO for business aspects of trade and development. Its efforts in helping the developing world have traditionally included the export of craft products. This traditional ITC contribution in the domain of creative expression will be pursued while opening up to, and progressively embracing, new creativity forms in order to help other creators export their art. The focus of ITC is on the craft and visual arts in developing countries and economies in transition.

ITC assistance is concentrated in three main areas:

- *Markets:* Facilitating access by the craft and visual arts enterprises to distribution networks in importing markets, particularly by leveraging new information technologies to streamline their supply chains and promote their production abroad;
- *Protection:* Spreading understanding of the principles of marketing and of the intellectual property system along with recognition of the value of intellectual property issues in marketing, and providing practical guidance in the proper use of them;
- *Collection:* Soliciting and facilitating the gathering of international sector-specific data for market analysis.

Recently, the focus of ITC work in the area of the creative industries has been on ethnic fashion. The rich culture, diverse traditions and skills of Africa have long been a source of inspiration for the international fashion industry. Equally, the industry has benefited from African raw materials such as cotton or leather. However, it is rare that the communities from which the inspirations and inputs are derived have benefited from the successes of international fashion. It is necessary to overcome obstacles faced by poor communities, designers and SMEs in entering the value chains in order to access global markets. ITC has been examining positive and negative experiences, with the aim of assisting developing countries to link designers and retailers/distributors in fashion markets with businesses with a view to developing win-win supply-chain models.

In the context of UNCTAD XII, a free-dialogue, "From fashion to African communities and the Millennium Development Goals",[23] is being organized by ITC in collaboration with UNCTAD, the African Federation of Fashion Designers and Agoralumiere International to address these issues. The purpose is to identify proposals to strengthen the production of socially and environmentally sustainable raw materials and ensure that value addition takes place in Africa.

[23]For further details, please visit http://www.unctadxii.org/en/Programme/Creative-Africa/Free-dialogue--From-fashion-to-African-communities-and-the-Millennium-Development-Goals-/.

Box 9.5 The Biennale of Contemporary African Art of Dakar: A contribution to economic and cultural development in Africa

For several years, Africa has proposed a variety of events for the promotion of different forms of artistic expression. The Biennale of Contemporary African Art of Dakar undoubtedly makes a critical contribution to ensuring the promotion of artists and the diffusion of contemporary creative works within and beyond the continent.

The Biennale of Contemporary African Art was born from the desire of the Government of Senegal to position Dakar as a place of encounters and cultural exchange for the entire African continent. The event started as a Biennale of Arts and Literature in 1990, with literature occupying a predominant place. Dak'Art was organized for the first time in 1992, and since then, the visual arts component has moved to the forefront. Nowadays, 289 artists from 34 African countries, with 16 representing the African Diaspora and 13 from the rest of the world participate. Among the countries with the highest rates of participation in the Dak'Art exhibitions are Cameroon, the Democratic Republic of the Congo, Ivory Coast, Morocco, Nigeria, Senegal and South Africa. Furthermore, in 1996, the Biennale started to incorporate the Salon of Design, which showcases the work of talented designers from Africa; 92 creators were selected to represent 15 countries from the African continent during the period 1996-2006.

Dak'Art 2006 also was attended by 63 art critics, 25 specialized press agents, 19 African journalists, 32 representatives from galleries and museums, 13 organizers of 7 Biennales at the international level and a dozen art collectors.

Several important events are scheduled for 2008. The first one is Africa Now, an important programme under the initiative of the World Bank and in honour of Africa. The second one is the first Foire d'art contemporain africain de Tenerife in Spain. In addition, the Biennale is associated with the UNCTAD secretariat for the launching of the "Creative Africa" initiative during the UNCTAD XII Ministerial Conference to be held in April in Accra, Ghana. For the occasion, an exhibition of African contemporary art will reveal the breadth of African talents in the field of visual arts, showing new approaches in art and design and raising public awareness about contemporary creations in Africa. Creative Africa will feature the work of artists from 10 African countries through paintings, sculptures and collages.

The economic spillovers of Dak'Art are linked mainly to the sales of important African art works. The event is also beneficial for several economic activities such as international tourism, international transportation, local transport, the hospitality industry and other services. In brief, Dak'Art is an illustration of the positive impact of international cultural manifestations for socio-economic development.

By Ousseynou Wade, Secretary-General of the Biennale of Contemporary African Art, Dakar, Senegal. Website: www.biennaledakar.org .

CHAPTER 10

Lessons learned and policy options

10.1 Lessons learned

Countries in both the developing and the developed world are enormously rich in cultural diversity and creative talent. Their traditions provide a unique heritage of music, craft, visual art, rituals, dance, performance, story-telling and cultural practice. All of these manifestations of local and national cultures are assets, representing the indisputable cultural capital, both tangible and intangible, on which the lives of the community are founded. These assets can, in turn, give rise to a complex array of creative products – goods and services (both commercial and non-commercial) with cultural content that are expressions of the creativity and talent of the people.

In addition to their role as essential expressions of local, national and regional cultures, however, these creative products and activities have real potential to generate economic and social gains. The production and distribution of creative goods and services can yield income, employment and trade opportunities, promote growth and development, and foster social cohesion and community interaction. Globalization and the rapid uptake of new ICTs have opened up huge possibilities for the commercial development of creative products. Indeed, it is the adoption of new technology and a focus on market expansion that are distinguishing characteristics of the creative industries as dynamic sectors in the economies of the industrialized world.

How are these trends reflected in the experience of developing countries? Some parts of the developing world, notably in Asia, are enjoying strong growth in their creative sectors. Evidence assembled in this Report indicates the importance of growth in trade in creative goods and services as indicators of the strength of the creative industries in these countries. In the ten years to 2005, world exports of creative goods and services grew at annual rates of 6 and 9 per cent, respectively, with growth rates in developing countries as a whole exceeding those in developed countries. These results provide some hint of the potential for further expansion of their value-added creative exports that awaits developing countries.

Yet there is a paradox in the world today: despite the richness of their creativity and the abundance of their cultural resources, many developing countries are failing to take advantage of the potential for development of their creative industries. For a variety of reasons, the possibilities for using these industries to generate increased output, exports and employment remain under-exploited, and opportunities for achieving genuine development gains through growth in the creative economy are being missed. These problems have arisen because of a range of difficulties confronting countries in the developing world in this area, including:

- the lack of a clear framework for understanding and analysing the creative economy as a basis for informed, evidence-based policy-making;
- a lack of data about the performance of the creative economy upon which sound development strategies can be based;
- the unusual organizational characteristics of the creative economy that call for country-specific rather than generic policies;
- the lack of institutional capacity to support development of the creative industries in the developing world, particularly in the protection and enforcement of intellectual property rights; and
- the fact that the developed world has enormous "first-mover" advantages in the field of creative goods and services, making it more difficult for developing countries to compete in global markets for these products.

How do these considerations relate to culture? From a policy viewpoint, the main aspect of culture that has been stressed in instrumental policy terms has been its role in empowerment and social cohesion. This Report seeks to extend understanding of the importance of culture by pointing to the additional (and sometimes separate) role of culture in economic development that operates alongside the core notion of "culture" in terms of values and identity. It points to the complex interaction of formal and informal, commercial and non-commercial, instrumental and intrinsic notions of "culture" in the process of development and demonstrates how cultural and economic development can be understood as a holistic process when interpreted in terms of the creative industries. Based on this understanding as well as on a sound evidence base, the Report advocates a renewed concern with culture and creativity in development. However, this concern must be one that relies on multi-agency action and multidisciplinary expertise.

This Report has set out to take a first step towards clarifying the basic concepts necessary for a proper understanding of the creative economy, putting forward objective evidence, providing some analytical tools and suggesting directions for policy action. In establishing some understanding of the nature and form of the creative economy, however, the Report also stresses that it is only a beginning, an initial step towards a more robust and comprehensive analysis of the creative economy.

10.2 Major findings

10.2.1 | Definitions and concepts

Definitions of the "creative economy" may vary, but it is generally agreed that at the heart of the creative economy lie the creative industries. There is no single agreed definition of the "creative economy" or the "creative industries" although clearly, they embrace the concept of "creativity" as an essential characteristic. In the contemporary world, creativity is often referred to as a key resource in the knowledge economy, leading to innovation and technological change and conferring competitive advantage on businesses and national economies. The association of creativity with commodities gives rise to a class of products known as "creative goods and services", of which, many believe, "cultural goods and services" constitute a subset formed by products with artistic or cultural as well as creative content. This in turn enables the definition of "creative and cultural industries" as those industries producing creative and cultural goods, respectively. Different models of the creative economy have different ways of identifying and classifying the creative industries, though for the purposes of this Report, the following groups of industries are included:

- cultural heritage;
- visual and performing arts;
- audiovisual industries;
- publishing and printed media;
- new media;
- design; and
- creative services, including advertising and architecture.

This Report seeks to establish a realistic benchmark of definitions of the "creative economy". A future objective must be the generation of a robust classification system that is not dictated simply by statistical convenience or availability but rather is based on an understanding of what evidence is required to develop policy.

10.2.2 | Cross-cutting linkages

The "creative economy" is a multidimensional concept with linkages to a number of different sectors in the overall economy. Different approaches to analysing the creative economy lead to different emphases on its various aspects. For example, a sociological approach has examined the notion of a "creative class" in society, comprising professional, scientific and artistic workers whose presence generates economic, social and cultural dynamism. Other approaches have stressed the role of culture in terms of social empowerment. Even beyond urban planning circles, the concept of the "creative city" has become established, while geographers focus on the locational aspects of creative activity in the form of creative clusters, networks and districts. The multifaceted nature of the creative economy means that it cuts across a wide range of areas of economic and social policy in addition to any intrinsic value. Thus policy-making in

relation to the creative economy is not confined to a single ministry or government department; rather, it is likely to implicate a number of different policy fields, including:

- economic development and regional growth;
- urban planning;
- international trade;
- labour and industrial relations;
- migration;
- domestic and foreign investment;
- technology and communications;
- art and culture;
- tourism;
- social welfare; and
- education.

Moreover, there is a similar multiplicity of involvement across the public sector, the corporate sector, the non-profit sector and civil society.

10.2.3 | The creative economy in the developed world

In the developed world during the 1990s, the creative industries grew faster than other sectors, including services and manufacturing. One of the major drivers of this growth was the extraordinarily rapid pace of technological change in multimedia and telecommunications that occurred during this period. In particular, digital technology opened up a range of new media through which cultural content could be delivered to consumers, and the creative industries responded by supplying an ever-widening array of creative products to the market. On the demand side, rising real incomes among consumers in developed countries, coupled with changing preferences for modes of cultural consumption, helped to sustain the growth of the creative economy. By the middle of the first decade of the new millennium, the proportion of GDP contributed by the creative industries in developed countries averaged around 3 to 6 per cent. For example, recent estimates collated by OECD for member countries indicate that the creative industries in France and the United States made up about 3 per cent of gross value added in 2002-2003 and almost 6 per cent of gross value added in the United Kingdom.

10.2.4 | The creative economy in the developing world

The engagement of developing countries with the creative economy varies dramatically around the world partly because of differences in the industrial and export capabilities of different countries but partly also because of variation in the extent to which different countries have recognized and implemented a deliberate development agenda for the creative sector. In Africa, for instance, there has been only limited commercialization of creative products. Perhaps the most obvious illustration is music, a form of cultural expression that is of particular importance on the African continent. Much of the music industry in Africa remains based on live performance, with formal production and circulation of music products still awaiting further development. A salient issue here is that developing countries commonly lack the institutional resources to manage copyright collection and payment systems. Accordingly, star performers are frequently attracted overseas in search of wider opportunities or simply in pursuit of payment for what they do. Some areas of Asia, by contrast, are at the leading edge of innovation in creative production, as in the case of video games in the Republic of Korea. Likewise, a number of Asian cities are formulating urban development strategies with a strong emphasis on cultural and creative activities. In the Caribbean and Central and South America, the state of the creative industries varies considerably across the board, with different industries being the focus of attention in different countries, such as publishing in Argentina, music in Jamaica or the film industry in Mexico.

10.2.5 | The value chain for creative products

It is essential to understand the value chain for the production and distribution of creative goods and services in order to determine optimal points of intervention for policy initiatives designed to boost the creative economy. A systematic understanding of who the stakeholders in the creative economy are, how they relate to one another, and how the creative sector relates to other sectors of the economy is critical for informed policy-making.

One tool that has proven useful for studying the creative economy is value-chain analysis, which depicts the progress of creative goods from an initial idea through to final consumption. In particular, it is important to examine

the early stages in the chain, i.e., to understand the structure of the production sector for creative goods and services. Production units in this sector range from individual artists and producers on the one hand to large transnational corporations on the other. In between are small and medium-sized enterprises (SMEs), which, in many developing-country situations, comprise the most significant element in terms of volume of output and levels of employment and community engagement. In a number of instances, these businesses offer the best prospect for combining economic revenue potential with the development of authentic cultural symbols and traditions, for example in the production of craftware, fashion products, music recordings, etc. Indeed, SMEs may become the cornerstone of locally based strategies for sustainable development of the creative industries, enhancing the economic, cultural and social life of the community. Value-chain analysis also enables identification of creative products and services with particular competitive advantages or that are capable of being developed as niche markets in particular situations.

10.2.6 | Data issues

Reliable data on the creative economy – on its inputs, outputs, value of production, prices, employment and trade – are in short supply among developing countries, and there is an urgent need to improve statistical collections as a basis for formulating creative-industry policy. The lack of a tradition for economic valuation and measurement in the cultural sphere, combined with difficulties of definition in the realm of cultural activities and creative goods and services, has meant that there has been a dearth of reliable indicators on which to base assessments of the size and scope of the creative economy. Moreover, the rapid pace of technological change has made it difficult to keep abreast of new products and services constantly coming onto the market.

Thus at present, we have only a limited set of measures of creative-industry output, employment and trade. In an ideal world, these are the data with which we might start. In addition, data on participation and cultural and creative activity time-use would help to develop a more holistic perspective. Even so, new models are required. In regard to creative employment, for example, statistics on occupation by industry are necessary to assess the linkages between the creative industries and other sectors while data on the locational distribution of employment is important for analysis of creative clusters. In regard to trade, although exports and imports of physical products produced by the creative industries are documented (as in the statistical tables on trade in creative goods and services assembled as part of this Report), the increasing dematerialization of cultural products has made statistical tracking of trade problematic. In regard to audiovisual products, for example, the international market in rights and services certainly exceeds the physical market in value terms, yet documentation of the volume and value of rights trade is difficult to obtain. Nevertheless, it is possible to make some progress towards improving our understanding of international trade of creative products through a combination of existing trade data and statistics on copyright payments.

10.2.7 | Trade

Despite the problems in measurement, it is possible to assemble consistent data on trends in exports and imports of creative products classified by region and by product category. In a pioneering exercise, this Report presents a universal comparative analysis of trade in creative goods and services, based on national trade statistics that can serve as a starting point in the development of more comprehensive and more transparent statistical collections. This exercise draws attention to the complexity, the heterogeneity and the multidisciplinary nature of the creative economy and points to the difficulties in conceptualizing, classifying and measuring production and trade of the creative industries. The actual figures for trade are without doubt an underestimate and skewed towards production, as this is where data collection concentrates.

As noted above, the material aspect of the creative economy is potentially less important than its immaterial/rights dimension; unfortunately, however, this is the domain on which we have the least information. Moreover, we have little knowledge of the effective modes of governance of this trade. WIPO has made some useful interventions in this field, but its objective is regulation; thus it focuses on different variables. The trend analysis shows that trade in creative goods and services over the last decade has shown an unprecedented rate of growth as compared to the more traditional manufacturing and services. Assuming this growth continues in the coming years, it will open up new opportunities for developing countries to increase their market shares of global trade in creative products.

10.2.8 | Connectivity and ICTs

As noted earlier, a major driver of the growth of the creative economy worldwide has been the advent of new information and communication technologies (ICTs). Of course, ICTs benefit the whole economy but their role in the creative industries is of particular significance. They offer new distribution channels for creative content; allow the adoption of innovative entrepreneurial business models; and strengthen the links between creativity, culture, technology and economic development.

In the context of developing countries, ICTs have a strong potential to boost socio-economic development, especially through the opportunities that they provide to SMEs to broaden their customer bases and increase their participation in international supply chains. ICTs can leverage new links in the value chain in many creative industries, especially via the phenomenon of digital convergence. Again, however, measurement issues arise, especially in assessing Internet penetration and usage, the extent of e-commerce, etc. Efforts are under way in different parts of the United Nations system to meet the challenges of new technologies through international cooperation, for example in the compilation of standardized statistics, the promotion of a global hub for networking, and support for creative-economy expos to expand understanding of the creative industries in a digital environment.

10.2.9 | Policy towards the creative economy

The cross-cutting nature of the creative economy means that policy development for the creative industries must be formulated on a coordinated interministerial basis. The range of instruments that can be used by policy-makers in charting development strategies for the creative industries in developing countries is wide indeed. In broad terms, the need is for infrastructure development and capacity-building to reinforce the operation of fiscal policies, competition law and intellectual property regimes in addition to traditional debates about intrinsic value. In more specific terms, policy initiatives may be undertaken in:

- mapping of inventories of cultural assets and creative industries;
- SME business development and finance (e.g., micro-finance);
- copyright legislation and enforcement;
- support for artists and the arts, both direct (via fiscal means) and indirect (through encouragement of private-sector support);
- conservation of tangible and intangible cultural heritage;
- expansion of digital capacity and know-how;
- market development, both domestic and export;
- tourism promotion;
- education, training and skills development; and
- industry assistance (e.g., via investment incentives, tax concessions, etc.).

As a result, policy development cannot be confined to a single ministry but requires co-ordinated action across a range of ministerial responsibilities, and although mainly urban in location, it is important in rural areas, too. The appropriate development paradigm is one based on sustainable development measured in economic, cultural, social and environmental terms. Only by adopting such a paradigm shift can we recognize the breadth and depth of the potential contribution of the creative industries to developing countries.

10.2.10 | International context

The creative economy features in a number of arenas of international policy-making. The challenge is to create a positive environment to optimize the potential of the creative economy for development gains. Moreover, given the multifaceted and multidisciplinary nature of the creative economy, governments can benefit from synergy and expertise from the United Nations system to analyse key issues to assist them in policy formulation.

Policy-makers need to be aware of a number of subtleties in dealing with the creative economy. In the area of trade, for example, ongoing multilateral negotiations continue to encounter difficulties in dealing with cultural products although it should be noted that the General Agreement on Trade in Services (GATS) has built-in flexibilities that developing countries can use to strengthen their creative industries. The Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) offers some prospect for consideration of topics related to the creative economy, but to date, matters such as folklore and traditional knowledge have received little attention. Undoubtedly, a major area for national and international action is the copyright area.

Further development of the creative sectors of many developing countries depends critically on having in place an effective copyright regime, as well as the implementation of the WIPO Development Agenda. Other initiatives for trade expansion are under way, for example the development of opportunities for increased South-South trade as part of the work of the UNDP Special Unit for South-South Cooperation and the facilitation of business opportunities for creative entrepreneurs by ITC.

An important step forward in raising the profile of the creative sector in developing countries has been the ratification of the UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions. This treaty draws particular attention to the role of the creative industries as a source of economic and cultural empowerment, particularly in the developing world, and encourages countries to give greater prominence to policy-making in this area. All of these international aspects should be seen in the context of the Millennium Development Goals. The Goals provide a set of strategic objectives and the creative industries in developing countries are well placed to contribute to their achievement.

Box 10.1 Summary of key messages

The key messages of this Report can be summarized as follows:

- Evidence shows that trade in creative goods and services is important to the economies of developing countries, and the importance of this trade highlights the strength of the creative economy in many parts of the developing world. Despite the difficult obstacles that many developing countries face in accessing global markets for creative products there is the potential for looking to export expansion as a source of growth for the creative economies of these countries.
- Policy strategies to encourage the development of the creative industries in Southern countries must recognize the cross-cutting and multidisciplinary nature of the creative economy, with its widespread economic, social and cultural linkages and ramifications. Key elements in any package of policy measures are likely to emphasize the "creative nexus" between investment, technology, entrepreneurship and trade.
- Evidence-based policy-making is hampered at present by a lack of comprehensive and reliable data on the various dimensions of the creative economy. Progress can be made in assessing production and trade in creative products in developing countries using existing statistical sources. Further progress, however, requires the development of new models for gathering data (qualitative and quantitative) concerning the creative industries and how they function within the economy as well as improvement in the quality of current data-collection processes.
- Current IPR legislation has not been able to avoid economic asymmetries. Therefore, efforts to enforce IPR regimes should ensure that the interests of artists and creators from developing countries are duly taken into account. Intellectual property should provide a stimulus to creators and entrepreneurs in the form of a tradable economic asset that is instrumental to enhancing the potential of the creative sector for development.

10.3 Policy options

As already emphasized through the overall analysis of this Report, the creative economy represents a positive-sum game for both developed and developing countries. Creativity is found everywhere in the world and is an inexhaustible resource. However, it can be argued that some countries have been greatly benefiting from the dynamism of the creative economy while the great majority of developing countries are not yet doing so.

A number of questions have been raised but there are no simple answers nor a unique recipe. Why are developing countries net importers of creative goods and services, accumulating deficits in their trade balance of creative products? What are the structural factors limiting creative capacities in developing countries despite the abundance of creative talents? How to reconcile cultural and social objectives with international trade and technology policies? How to build creative capacities and make the best use of international cooperation? How to integrate local creative industries into national development strategies and global markets?

Previous chapters provided evidence that several obstacles have been contributing to the accentuation of the above-mentioned asymmetries owing to both national and

international systemic biases. This concluding chapter is intended to assist policy-makers from governments as well as decision-makers and the creative people engaged in the day-to-day dynamics of the creative economy to identify policy options and possible priorities to optimize the developmental impact of their creative economies and to foster, protect and promote their creative industries. This is expected to shed light on the likely way ahead and prospects for the future course of policy action by the different groups of stakeholders.

10.3.1 | Role of governments

As evidenced by the analysis of this Report, markets alone are unable to correct the imbalances affecting the functioning of global markets for creative products. Distortions in the market structure of most creative sectors, which in general is highly vertically integrated, pose problems of distribution and market access for the participation of developing countries in international trade. Therefore, the role of governments is crucial for the formulation of public policies to nurture a solid, self-sustainable creative economy able to compete at the multilateral level. The main point is not whether governments should be leading or responding to calls from their creative industries but how to put in place a plan of action and effective mechanisms to articulate tailor-made policies to stimulate creativity and improve the competitiveness of creative products with the best competitive advantages in world markets while preserving cultural identity. Developing countries in particular need to retain policy space to enhance their creative industries in order to be able

Table 10.1 Creative industries policy options

Policy level	Objective	Option
Micro	Analysis and mapping of the economic and social impact of the creative industries.	Situational analysis of value-chain cycles, review of the (non)existing sectoral policies and the ecology peculiar to each creative industry.
	Supporting creative SMEs.	Creative SMEs development initiatives: financial and fiscal support, business skills training, tools for start-up businesses and market strategies.
Meso	Comparative analysis of the relationship between the creative and the related industries.	Establish creative clusters and creative-industry infrastructures to motivate best practices, sharing of knowledge and absorb the informal sector.
		Organize networking and sectoral associations; facilitate partnerships, joint ventures involving different stakeholders including NGOs and academia.
		Expand the use of ICTs and promote the use of other new technologies to benefit from new business models in all stages of the creative chain.
		Identify crucial interfaces and intermediaries among all constituents.
Macro	Establishment of an informed, evidence-based policy-making system.	Set up a monitoring system and collect necessary information to identify the most appropriate models.
		Distinguish the gap between national statistics and real market activities for assessment tools.
	Cross-departmental institutional mechanisms.	Set up a multidisciplinary centre or an inter-ministerial task force to facilitate coordination among different departments, such as culture, trade, finance, tourism, labour, technology, education and migration.
	Socio-economic development.	Identify the uniqueness, strengths and weaknesses of local creative industries and opportunities for international trade.
		Examine the limitations of existing copyright schemes and other IPRs and implement an appropriate competition law.
		Promote cultural diversity and social inclusion policies, particular tailored for the youth and women.
	Creation of national identities.	Apply creative industries "branding" as a national strategy to promote image.
Meta	Analysis of the long-term impact of creative industries.	Analyse the changes in aesthetics, lifestyle, commodification over a long period and their impact on national strategies.

Source: UNCTAD.

to face fierce competition from large conglomerates.

In this context, governments are encouraged to create a conducive climate and the infrastructure necessary to stimulate integrated, mutually supportive domestic policies. Table 10.1 summarizes some elements of a broad national framework and the different levels of action and areas to reinforce public policies, identifying expected objectives and steps to harnessing their creative economy for development gains.

10.3.2 | Role of creative entrepreneurs

All creative activities involve a high degree of risk. The success or failure of a creative product is difficult to predict. Artists and creators are rightly concerned with their own creations and in an ideal environment should not be distracted with marketing and business aspects. However, in an increasingly flexible structure peculiar to the creative economy, independent artists and creators are becoming much more autonomous and compelled to deal with business aspects in order to be able to survive from the commercial activities resulting from their creations. Furthermore, the so-called creative workforce nowadays has a high level of education and good knowledge and skills to make use of new ICT tools and the emergence of new business models (see chapter 8). In this changing environment, the role of the intermediaries is gradually disappearing or being replaced by that of the infomediaries, and creators are increasingly recognizing the importance of developing creative entrepreneurial skills with a view to combining art, creations and business.

Moreover, as the large majority of creative industries are small if not micro enterprises, special attention should be given to the development of the SMEs, with a view to ensuring their survival and sustainability. These micro businesses, which characterize most creative industries particularly in developing countries, have the capacity to create jobs and stimulate employment and income-generation despite the market-entry barriers they face. Therefore, it is imperative to promote cultural or creative entrepreneurship through specific vocational-training initiatives. Creative practitioners can enhance their capacities through different types of training through capacity-building activities such as formal professional education, informal training and specific training programmes.

The main areas with which creators should be familiarized include:

- employment, wages and working conditions, including contracts and regulations;
- financing instruments and access to credit and funding for creative or cultural projects;
- protection for IPRs, in particular copyright legislation;
- new technologies and ICT tools for creation, production and distribution of creative content; and
- continuous learning in their respective fields for upgrading of know-how.

10.3.3 | Role of civil society and the place of strategic alliances

As most creative industries are fragmented for the reasons mentioned above, the forging of strategic alliances to facilitate interactions with all stakeholders is important in order to overcome constraints due to a small size. Efforts should be made to promote dialogue, synergy, exchange of experiences, etc. Artists and creators, whether working independently or in creative enterprises, should build alliances with the following:

- agents from government, both public and semi-public sectors;
- private-sector and profit-led enterprises and business groups, potential sponsors, etc;
- lobbying groups, federations, professional associations and unions; and
- non-profit organizations such as foundations, NGOs and academia.

It is important to remember that every individual is a net consumer of creative products. Every day we listen to music, read books and newspapers, watch television, enjoy a movie, go to theatres, visit an art exhibition, consume fashionable clothing, etc. Networking with civil society as a whole can be part of a marketing strategy. In a number of countries, associations of independent producers have been set up to represent the interests of respective creative industries with the different stakeholders.

The important role played by NGOs engaged in the creative economy should not be neglected. They usually have an active presence at grass-roots levels, promoting social inclusion at the community level and leading initiatives particularly adapted for the youth and creative women.

10.4 The way ahead

In this concluding section, an attempt is made to sketch a future course of action by the international community to support developing countries in their efforts to enhance their creative economies for development gains. As the starting point, this first Report has identified a number of issues requiring further policy-oriented analysis and more empirical evidence. In other words, this study should be perceived as an initial step of a work in progress.

Nevertheless, the main purpose of this study was to identify assessment tools for measuring the economic impact of the creative economy at the national level, with a view to assisting governments to formulate policies to enhance creative capacities on the basis of evidence-based information. The ultimate goal, however, was to sensitize governments to the importance of the creative economy for generating revenues, employment and trade.

10.4.1 | Redefining priorities

From the research undertaken, it was clear that, at that stage, owing to the absence of a satellite account for capturing quantitative and qualitative data for culture and the creative sectors, the only benchmark for tracing the economic impact of the creative economy on national economies was trade data. This was the case despite the current gaps in reporting as well as in the level of disaggregation of the statistical classification codes resulting from methodological and conceptual inconsistencies. Consequently, the focus of the research has shifted from the economic indicators of the initial overall mapping and assessment exercise towards the analysis of international trade flows of creative goods and services. Certainly, the impact of the creative products on the trade balance of individual countries is a meaningful and probably more convincing, evidence-based economic indicator that is able to influence policy-making particularly because it shows that in broad terms, developing countries have impressive trade deficits as regards creative products.

Now that a pioneering work has been undertaken by the UNCTAD secretariat to capture trade data and show the global picture of the recent evolution in world trade of creative goods and services, it is hoped that governments will now ensure that the quality and coverage of reported trade data are improved and that efforts will be made to compile accurate statistics allowing for comparative analysis at the global level.

Furthermore, trade figures have shown that the creative industries are among the most dynamic sectors in the world economy, and the international trade of creative goods and services amounted to over $424.4 billion in 2005. This level of export earnings is broadly equivalent to the overall value of exports of world minerals and metals. Against this background, this Report concludes that the priority in terms of capturing data should be to provide reliable, systematic and more disaggregated trade data to support policy-making.

10.4.2 | Role of international cooperation

In conclusion it can be said that this exercise was a concrete illustration of how international cooperation by the United Nations system can be used to assist governments to better grasp the overall interactions of the creative economy and to identify areas for future policy-oriented analysis. Synergy among the five collaborating agencies has improved and there is a better understanding of the complementarities of the competences and mandates of each organization. This study has also helped to consolidate the work of each institution in areas relating to the creative economy, paving the way for enhanced cooperation in this area. This cooperative effort can serve as an example for intra- and inter-country cooperation involving various ministries and other development actors.

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Honduras	*Sistema Nacional de Cultura (National System of Culture).* **www.campus-oei.org/publicaciones/cultura_honduras.htm**	OEI	2005
Jamaica	*Music and the Jamaican Economy.* Witter, M. **www.wipo.int/export/sites/www/about-ip/en/studies/pdf/study_m_witter.pdf**	UNCTAD & WIPO	2004
	National Strategy & Action Plan to Further Develop the Jamaican Music Industry. Brown, H. **http://portal.unesco.org/culture/en/file_download.php/062bbc43a 1296e4fae9f7ab99ac345bdMusic+Strategy+Final+Draft+December+2004.doc**	UNESCO & Ministry of Education, Youth and Culture	2004
Mexico	Sistema de Información Cultural – portal (Cultural Information System – portal). **http://sic.conaculta.gob.mx**	CONACULTA	
	Sistema Nacional de Cultura (National System of Culture). **www.campus-oei.org/publicaciones/cultura_mexico.htm**	Organización de Estados Iberoamericanos para la Educación, la Ciencia y la Cultura (OEI)	2002
	¿Cuánto Vale la Cultura? Contribución económica de las industrias protegidas por el derecho de autor en México. (What's the Value of Culture? Economic Contribution of the Copyright-protected Industries in Mexico). Piedras, E. **www.buenosaires.gov.ar/areas/produccion/industrias/observatorio/documentos/cuanto_vale_la_cultura_piedras.doc**	CONACULTA, CANIEM, SOGEM & SACM	2004
	Encuesta Nacional de Prácticas y Consumos Culturales (National Survey of Cultural Practices and Consumption). **http://sic.conaculta.gob.mx/encuesta/encuesta.zip**	CONACULTA	2004
	Encuesta Nacional de Lectura (National Reading Survey). **http://sic.conaculta.gob.mx/encuesta/BD_ENL.zip**	CONACULTA	2006
	Diagnóstico de Infraestructura Cultural (Diagnostic of Cultural Infrastructure). **http://sic.conaculta.gob.mx/publicaciones_sic/dic_2007.pdf**	CONACULTA	2007
Peru	*Sistema Nacional de Cultura (National System of Culture)* **www.campus-oei.org/publicaciones/cultura_peru.htm**	OEI	2002
	El Impacto Económico de la Cultura en Perú (The Economic Impact of Culture in Peru). **www.convenioandresbello.org/c12/index.php?page=shop.product_details &flypage=shop.flypage&product_id=163&category_id=10&option=com_phpshop&Itemid=1**	CAB	2004
Trinidad & Tobago	*The Entertainment Sector of Trinidad and Tobago – Implementing an Export Strategy.* Henry, R. and Nurse, K.	TIDCO	1996
	The Music Industry in Trinidad and Tobago. Daniell, A. et al. **www.wipo.int/export/sites/www/about-ip/en/studies/pdf/study_r_henry.pdf**	UNCTAD & WIPO	2001

Key surveys and assessments: Cultural and creative industries in Latin America and the Caribbean

Country	Publication	Institution	Year
Uruguay	*Industrias del copyright en Uruguay* (Copyright Industries in Uruguay). Stolovich, L., Lescano, G., Pessano, R.	Unpublished	2001
	La Industria Cinematográfica en Uruguay (The Cinematographic Industry in Uruguay). Stolovich, Luis et al.	Ediciones IDEAS (Montevideo)	2004
Venezuela (Bolivarian Republic of)	*El consumo cultural del Venezolano (The Cultural Consumption of Venezuelans).* Bisbal, M. et al.	Fundación Centro Gumilla y Consejo Nacional de la Cultura	1998
	La Dinámica de la Cultura en Venezuela y su Contribución al PIB (The Dynamics of Culture in Venezuela and Its Contribution to the GDP). **www.convenioandresbello.org/c12/index.php?page=shop.product_details&flypage=shop.flypage&product_id=162&category_id=10&option=com_phpshop&Itemid=1**	CAB	2005
	La Industria Cinematográfica en Uruguay (The cinematographic Industry in Uruguay). Stolovich, Luis et al.	Ediciones IDEAS (Montevideo)	2004

Statistical Annex

General explanatory notes

This explanatory note summarizes the content of each part of this annex. The tables on trade statistics for creative goods are based on official statistics reported by national sources to the United Nations COMTRADE and further elaborated and processed by the UNCTAD secretariat. Additional, more detailed data at the country and sectoral levels are available and can be consulted through the UNCTAD Global Databank on Creative Economy & Industries, which can be accessed on the statistics portal of the UNCTAD website at http://www.unctad.org/statistics or www.unctadxii.org/creative. In certain instances, the electronic version might contain different figures from those in this printed volume as they are published later and may reflect more recent data.

Efforts were made to present a universal coverage by providing trade data for all 192 Member States of the United Nations. However, some countries are missing in the tables for one of two reasons: (a) the country has not reported its trade statistics throughout the period from 1996 to 2005, or (b) the country reports its figures using a different statistical code system. For example, this Report uses the 1996 edition of the Harmonized Commodity Description and Coding System, or, simply, the Harmonized System (HS 1996) while Egypt adopts HS 2006 codes; therefore, the statistics for Egypt, regrettably, are not listed in the tables.

For many developing countries, data are not available throughout the years of the full time-series 1996-2005. Therefore, the total number of reporting countries in each year is not necessarily the same. Thus, the value of "world" in any table presents only the sums of the total number of reporting countries in a specific year, and these figures should be treated with extreme caution when using them as an analytical tool.

The unavailability of statistics is further accentuated by the category of creative services, and this is the case even in developed countries such as the United Kingdom and the United States. The value of total exports and imports in each table on creative services is inevitably underestimated.

Part 1. Creative goods

As noted earlier, the compilation of trade data presented in this annex is based on the 1996 version of the Harmonized System (HS 1996). A summary of selected HS 1996 codes for creative goods in each subgroup is listed below. The decision was taken to use HS 1996 instead of HS 2006 because the majority of countries still report their figures under the HS 1996 version.

In the absence of a precise taxonomy, 236 codes were selected from the list of HS 1996 based on the classification methodology for a trade model for creative industries as presented in chapter 4 of this Report, taking as a starting point the UNESCO Framework for Cultural Statistics. The classification was jointly agreed upon by experts and statisticians from the secretariats of ITC and UNCTAD as "creative goods".

Given the complexity of making clear distinctions and defining the borderline between a creative good that is exclusive and mass production, between handmade and machine-made, between decorative and functional, etc., this first exercise of compiling statistics for creative goods includes all the creative goods with the above characteristics since they fall under the criteria of the UNCTAD classification of "the cycle of creation, production and distribution of a tangible product with creative content, economic and cultural value and a market objective".

The number of codes included in each subgroup is as follows: design, 139 codes; arts and crafts, 48 codes; visual arts, 19 codes; publishing, 18 codes; music, 7 codes; new media, 3 codes; and audiovisuals, 2 codes, summarized as follows:

Design. This is the biggest subgroup, with 139 codes. The number of codes in each subsector is as follows: fashion, 49; interior, 50; toys, 17; jewellery,12; and graphic, 11.

- *fashion* – handbags, belts, accessories (ties, shawls, scarves, gloves, hats, hairpins, etc), sunglasses, headgear, leather goods, perfumes, etc. Clothing and shoes are not included.
- *interior* – furniture (living room, bedroom, kitchen, bathroom), tableware, table linen, wallpaper, glassware, porcelain, lighting sets, etc.
- *toys* – dolls, wheeled toys, electric trains, puzzles, games, etc.
- *graphic and architecture* – original drawings, architectural plans, etc.
- *jewellery* – articles of jewellery made from gold, silver, pearls and other precious metals as well as imitation jewellery.

Arts and crafts. This is the second largest subgroup, covering a total of 48 codes. The number of codes in each subsector is as follows: carpets, 16; yarn, 11; wickerware, 5; celebration, 2; paperware, 1; others, 13.

- *carpet* – includes carpets of wool or other fine animal hair, cotton, coconut fibers and other plant fiber, knotted or woven.
- *yarn* – handmade lace, hand-woven and needlework rugs, embroidery, bed linen, manmade or printed, knitted or crocheted materials, etc.
- *wickerware* – plaits, mats, basketwork, wickerwork, etc.
- *celebration* – articles for Christmas, festivities, carnivals, etc.
- *paperware* – handmade paper.
- *others* – candles, tanned or dressed fur skins, artificial flowers, wood marquetry, etc.

Visual arts. This subgroup covers 19 codes. The number of codes in each subsector is as follows: photography, 4; painting, 1; sculpture, 9; antiques, 1; and other, 4.

- *photography* – photographic plates for offset reproduction; photographic film and microfilms, exposed and developed.
- *painting* – paintings, pastels executed by hand, wooden frames for paintings.
- *sculpture* – statuettes and other ornamental articles of wood, porcelain, ceramics, ivory or other metals, worked carving materials.
- *antiques* – antiques more than one hundred years of age.
- *other* – collages and similar decorative plaques; original engravings, paintings and lithographs, and sculptures and statuary, in any material.

Publishing. There are 18 codes in this subgroup. The number of codes in each subsector is as follows: newspapers, 3; books, 3; other, 12.

- *newspapers* – newspapers, journals and periodicals.
- *books* – books, dictionaries, encyclopedias, brochures, leaflets, children's drawing and coloring books and other printed matter.
- *others* – maps, brochures, postcards, calendars, advertising materials, etc.

Music. Music has 7 codes. It covers 6 types of recorded laser discs and recorded magnetic tapes as well as printed or manuscript music.

New media. This subgroup has 3 codes: 1 code for recorded media for sound and image, and 2 codes for video games.

Audiovisuals. This subgroup has 2 codes; only 2 types of exposed cinematographic film are included in this subgroup.

Part 2. Creative services and royalties

Data on trade in services by category of service rendered are becoming more available for developing countries as well. Generally aligned with the definitions of the IMF Balance of Payments Manual, figures for trade in services, comparable across the world, are found mainly in the IMF Balance of Payments (BOP) Statistics database and, more recently, in the United Nations Statistics Division Services Trade database. EUROSTAT and OECD also collect data for their member countries, as do other regional organizations.

However, the available data disaggregated by category of services do not provide the detail necessary for drawing conclusions about the impact of creative-services activities on economies.

The 11 principal BOP categories of services cover many aspects of creative industries that cannot be separately extracted. The Extended Balance-of-Payments Services Classification (EBOPS) – presented in the Manual on Statistics of International Trade in Services (MSITS, 2002) – still does not offer categories detailed enough to enable the designation of the creative-industry services rendered.

Nevertheless, what is offered in the MSITS and further elaborated in this study are the elements of Central Product Classification (CPC) that can be related to EBOPS categories and that directly cover creative industries. **The data on such a detailed level are rarely internationally reported and assembled on a comparable basis** (CPC 5-digit-level items are usually necessary).

What countries report at the moment that was identified as covering creative industries but not exclusively is the following categories of services:

- advertising, market research and public opinion services (EBOPS 278, level 3);
- architectural, engineering and other technical services (EBOPS 280, level 3);
- research and development services (EBOPS 279, level 3);
- personal, cultural and recreational services (EBOPS 287, level 1);
- audiovisual and related services (EBOPS 288, level 2); and
- other personal, cultural and recreational services (EBOPS 897, level 3).

The definitions of each category of services are from the fifth edition of the IMF *Balance of Payments Manual* (available at http://www.imf.org/external/np/sta/bop/BOPman.pdf) and are listed below:

- *Advertising and market research and public opinion polling services (Advertising):* "Advertising and market research services transacted between residents and non-residents cover the design, creation, and marketing of advertisements by advertising agencies; media placement, including the purchase and sale of advertising space; exhibition services provided by trade fairs; the promotion of products abroad; market research; and public opinion polling abroad on various issues." (p. 68)
- *Architectural, engineering and other technical services (Architectural):* Architectural, engineering and other technical services cover resident and nonresident transactions related to architectural design of urban and other development projects; planning and project design and supervision of dams, bridges, airports, turnkey projects, etc.; surveying, cartography, product testing and certification, and technical inspection services." (ibid.)
- *Research and development services (R&D):* Research and development services cover those services that are transacted between residents and

non-residents and associated with basic research, applied research, and experimental development of new products and processes. In principle, such activities in the sciences, social sciences and humanities are covered; included is the development of operating systems that represent technological advances." (ibid.)

- *Personal, cultural, and recreational services (Personal recreation)*: "Personal, cultural, and recreational services involving transactions between residents and non-residents are subdivided into two categories:" (ibid.)

(a) *Audiovisual and related services (Audiovisual).* "The first category comprises services and associated fees related to the production of motion pictures (on film or video tape), radio and television programs (live or on tape), and musical recordings. Included are receipts or payments for rentals; fees received by resident actors, directors, producers, etc. (or by nonresidents in the compiling economy) for productions abroad; and fees for distribution rights sold to the media for a limited number of showings in specified areas. Fees to actors, producers, etc. involved with theatrical and musical productions, sporting events, circuses, etc. and fees for distribution rights (for television, radio, etc.) for these activities are included." (pp. 68-69)

(b) *other personal, cultural and recreational services (Other cultural services).* "The second category comprises other personal, cultural, and recreational services such as those associated with museums, libraries, archives, and other cultural, sporting, and recreational activities. Also included are fees for services, including provision of correspondence courses, rendered abroad by teachers or doctors." (p. 69)

Obviously, it is not possible to arrive at conclusive comparative results on the real performance of services outputs of creative industries in international trade based on incomplete figures. This is especially the case in that national statistics, when available, do not always follow precisely the internationally accepted definitions and guidelines owing to particular priorities and data collection systems of different States.

The statistics for categories of services cover much more activity than what would belong to the creative economy alone, with the exception of audiovisual and related services, which can be attributed largely to creative industries. In addition, the subcategory "Other personal, cultural and recreational services" could also be assumed to incorporate trade closely related to creativity, bearing in mind, however, that this subcategory still includes international services trade relating to sporting events (health and education are not covered).

All the figures used to calculate growth rates by category of services are to be viewed with caution since they refer, of course, to the limited number of countries that consistently reported on them (only to countries reporting a particular service regularly between 2000 and 2005). The numbers in parentheses after percentages represent the number of countries used in the calculation.

Royalties and licence fees

- Average annual growth rate, 2000-2005, for exports of the reporting countries = 14.2% (67)
- Average annual growth rate, 2000-2005, for imports of the reporting countries = 11.1% (93)

Advertising, market research and public opinion polling services

- Average annual growth rate, 2000-2005, for exports of the reporting countries = 22.3% (33)
- Average annual growth rate, 2000-2005, for imports of the reporting countries = 13.7% (39)

Research and development services

- Average annual growth rate, 2000-2005, for exports of the reporting countries = 18.7% (22)
- Average annual growth rate, 2000-2005, for imports of the reporting countries = 14.5% (22)

Architectural, engineering and other technical services

- Average annual growth rate, 2000-2005, for exports of the reporting countries = 19.2% (27)
- Average annual growth rate, 2000-2005, for imports of the reporting countries = 15.1% (30)

Personal, cultural and recreational services

- Average annual growth rate, 2000-2005, for exports of the reporting countries = 14.7% (63)
- Average annual growth rate, 2000-2005, for imports of the reporting countries = 12.1% (68)

Audiovisual and related services

- Average annual growth rate, 2000-2005, for exports of the reporting countries = 15.9% (33)
- Average annual growth rate, 2000-2005, for imports of the reporting countries = 13.6% (41)

Other personal, cultural and recreational services

- Not enough data available.

TOTAL SERVICES

- World annual average growth rate between 2000 and 2005 for exports: 11.2%
- World annual average growth rate between 2000 and 2005 for imports: 10.5%

As these figures for significant categories show, creative industries belong to categories of trade in services where growth rates are higher than the average growth rates of total trade in services. They can thus be seen as new and more dynamic services but services that nevertheless represent quite low percentages of total trade in services of countries (except for royalties and licence fees in some States, which are usually below 3 per cent of total trade in services for each category mentioned above and, in many cases, even below 1 per cent).

It should be noted, however, that growth rates higher than those of total trade in services do not always indicate that a particular category of trade in services is growing relatively rapidly. Given that the trade in services data reported on levels below the 11 main categories are a relatively recent phenomenon for many countries, the statistical offices may still be adjusting their collection systems and methodologies and therefore can obtain results that are not fully comparable across years. What could actually be happening – rather than the real highly dynamic growth – is that some countries are simply becoming progressively better at capturing statistically what is happening in a certain category of trade in services.

In addition, the values of exports and imports of royalties and licence fees (based on EBOPS 266, level 1) are also included in this group. The definition of "royalties and licence fees" is from the fifth edition of the IMF *Balance of Payments Manual* (BPM5):

- *Royalties and license fees (Royalties):* "Royalties and license fees covers receipts (exports) and payments (imports) of residents and nonresidents for (i) the authorized use of intangible non-produced, non-financial assets and proprietary rights – such as trademarks, copyrights, patents, processes, techniques, designs, manufacturing rights, franchises, etc. and (ii) the use, through licensing agreements, of produced originals or prototypes – such as manuscripts, films, etc." (p. 40)

A decision was taken to present in this Report the state-of-the-art evidence base, including the international trade flows on creative goods and services, even if the work of UNCTAD in this area is in its preliminary stage and the **results that are being shared are partial and in an incomplete form owing to gaps in data availability.** Our main concern was to present what is possible at present on the basis of available data; certainly, however, much more work needs to be done. The secretariats of ITC, UNCTAD, UNESCO and WIPO have been working collaboratively and in a complementary manner with a view to dealing with the current gaps in data collection for figures on the international flows of creative goods and services as well as copyrights. Each entity is willing to contribute in its respective areas of competence in this endeavour.

With the aim of facilitating the compilation of more disaggregated data for creative services in the future, a "wish list" of statistics codes prepared by the UNCTAD secretariat is included at the end of these notes to encourage better reporting of figures for trade in services relating to the creative industries.

Part 3. Related industries

The trade figures presented for **related industries cover those goods produced by industries related to creative activities**, that is, supporting industries or equipment needed to produce or consume creative content. The figures provided in the annex are included for the purpose of market transparency and as a tool for analysis of future demand. **These trade figures for related industries are not included in the totals of creative industries**.

There are 186 codes in the list of HS 1996 codes that are considered by ITC and UNCTAD as codes for goods in related industries. The number of codes included in each subgroup is: visual arts, 50 codes; design, 40 codes; arts and crafts, 3 codes; publishing, 17 codes; music, 21 codes; and audiovisuals, 55 codes. The tables present the same analysis as those for creative industries (see chapter 5 for further details).

Other notes

Unless otherwise specified, country aggregates are the sums of the data of the relevant reporting countries, by economic group.

Due to rounding, figures in tables do not necessarily add up to the totals.

Unless otherwise stated, dollars ($) refer to US dollars and data in dollars are expressed in current US dollars of the year to which they refer.

UNCTAD proposed list for creative industries EBOPS codes for services

EBOPS	EBOPS CLASSIFICATION	CPC 1.0	EXPLANATION	GNS/W/120
	VISUAL ARTS			
284	Photography			
		83811	Portrait photography services	Photographic services
		83812	Advertising and related photography services	Photographic services
		83813	Action photography services	Photographic services
		83814	Specialty photography services	Photographic services
		83815	Restoration, copying and retouching services of photography	Photographic services
		83819	Other photographic services	Photographic services
		83820	Photography processing services	Photographic services
	Paintings & sculptures	96320	Services of authors, composers, sculptors and other artists, except performing artists	Entertainment services (incl. theatre, live bands and circus services)
897	**PERFORMING ARTS & ENTERTAINMENT**			
		96210	Performing arts event promotion and organization services	Entertainment services (incl. theatre, live bands and circus services)
		96220	Performing arts event production and presentation services	Entertainment services (incl. theatre, live bands and circus services)
		96230	Performing arts facility operation services	Entertainment services (incl. theatre, live bands and circus services)
		96290	Other performing arts and live entertainment services	Entertainment services (incl. theatre, live bands and circus services)
		96310	Services of performing artists	Entertainment services (incl. theatre, live bands and circus services)
	Music			
288		96111	Sound recording services	Sound recording
284		86922	Reproduction services of recorded media, on a fee or contract basis	
284	**PUBLISHING SERVICES**			
		86910	Publishing, on a fee or contract basis	Photographic services
		86921	Printing services and services related to printing, on a fee or contract basis	Photographic services
889		84410	News agency services to newspapers and periodicals	News agency services
	AUDIOVISUAL AND RELATED SERVICES			
288	Radio & television			
		96160	Broadcasting (programming and scheduling) services	Radio and television services
		96112	Audio post-production services	Motion picture and video tape production and distribution services
		96122	Radio programme production services	Radio and television services
		96130	Audiovisual production support services	Motion picture and video tape production and distribution services

General explanatory notes (continued)

EBOPS	EBOPS CLASSIFICATION	CPC 1.0	EXPLANATION	GNS/W/120
889		84420	News agency services to audiovisual media	News agency services
288	Film			
		96121	Motion picture, video tape and television programme production services	Motion picture and video tape production and distribution services
		96141	Motion picture, television programme distribution services	Motion picture and video tape production and distribution services
		96142	Film and video post-production services	Motion picture and video tape production and distribution services
		96149	Other services related to the production of motion pictures, video tapes and television and radio programmes	Motion picture and video tape production and distribution services
		96151	Motion picture projection services	Motion picture projection services
		96152	Video tape projection services	Motion picture projection services
	DESIGN			
284	Interior			
		83410	Interior design services	Other
		83490	Other specialty design services	Photographic services
	CREATIVE SERVICES			
278	Advertising services			
		83610	Planning, creating, placement services of advertising	Advertising services
		83620	Purchase or sale of advertising space or time, on commission	Advertising services
		83690	Other advertising services	Advertising services
		85970	Trade fair and exhibition organization services	Convention services
280	Architectural services			
		83211	Architectural advisory and pre-design services	Architectural services
		83212	Architectural design and contract administration services	Architectural services
		83219	Other architectural services	Architectural services
897	Cultural & recreational services			
		96310	Services of performing artists	
		84510	Library services	Libraries, archives, museums and other cultural services
		84520	Archive services	Libraries, archives, museums and other cultural services
		96411	Museum services except for historical sites and buildings	Libraries, archives, museums and other cultural services
		96412	Preservation services of historical sites and buildings	Libraries, archives, museums and other cultural services
		96421	Botanical and zoological garden services	Libraries, archives, museums and other cultural services
		96422	Nature reserve services, including wildlife preservation services	Libraries, archives, museums and other cultural services
		96910	Amusement park and similar attraction services	Entertainment services (incl. theatre, live bands and circus services)
266	ROYALTIES AND LICENSE FEES			
		51230	Copyrights	N/A

Distribution of developing economies by geographical region and economic grouping

1. GEOGRAPHICAL REGION

Africa

Eastern Africa

British Indian Ocean Territory
Burundi
Comoros
Djibouti
Eritrea
Ethiopia
Kenya
Madagascar
Malawi
Mauritius
Mayotte
Mozambique
Rwanda
Seychelles
Somalia
Uganda
United Republic of Tanzania
Zambia
Zimbabwe

Middle Africa

Angola
Cameroon
Central African Republic
Chad
Congo
Democratic Republic of the Congo
Equatorial Guinea
Gabon
Sao Tome and Principe

Northern Africa

Algeria
Egypt
Libyan Arab Jamahiriya
Morocco
Sudan
Tunisia
Western Sahara

Southern Africa

Botswana
Lesotho
Namibia
South Africa
Swaziland

Western Africa

Benin
Burkina Faso
Cape Verde
Côte d'Ivoire
Gambia
Ghana
Guinea
Guinea-Bissau
Liberia
Mali
Mauritania
Niger
Nigeria
Saint Helena
Senegal
Sierra Leone
Togo

America

Caribbean Islands

Greater Caribbean
Cuba
Dominican Republic
Haiti
Jamaica

Small Caribbean islands
Anguilla
Antigua and Barbuda
Aruba
Bahamas
Barbados
British Virgin Islands
Cayman Islands
Dominica
Grenada
Montserrat
Netherlands Antilles
Saint Kitts and Nevis
Saint Lucia
Saint Vincent and the Grenadines
Trinidad and Tobago
Turks and Caicos Islands
United States Virgin Islands

Central America

Belize
Costa Rica
El Salvador
Guatemala
Honduras
Mexico
Nicaragua
Panama

Distribution of developing economies by geographical region and economic grouping (continued)

South America

Argentina
Bolivia
Brazil
Chile
Colombia
Ecuador
Falkland Islands (Malvinas)
Guyana
Paraguay
Peru
Suriname
Uruguay
Venezuela (Bolivarian Republic of)

Asia

Eastern Asia

Asia, not elsewhere specified
China
China, Hong Kong Special Administrative Region
China, Macao Special Administrative Region
Democratic People's Republic of Korea
Mongolia
Republic of Korea
Taiwan Province of China

Southern Asia

Afghanistan
Bangladesh
Bhutan
India
Iran (Islamic Republic of)
Maldives
Nepal
Pakistan
Sri Lanka

Southeastern Asia

Brunei Darussalam
Cambodia
Indonesia
Lao People's Democratic Republic
Malaysia
Myanmar
Philippines
Singapore
Thailand
Timor-Leste
Viet Nam

Western Asia

Bahrain
Iraq
Jordan
Kuwait
Lebanon
Occupied Palestinian Territory
Oman
Qatar
Saudi Arabia
Syrian Arab Republic
Turkey
United Arab Emirates
Yemen

Oceania

American Samoa
Christmas Islands
Cocos (Keeling) Islands
Cook Islands
Fiji
French Polynesia
Guam
Johnston Island
Kiribati
Marshall Islands
Micronesia (Federated States of)
Midway Islands
Nauru
New Caledonia
Niue
Norfolk Island
Northern Mariana Islands
Palau
Papua New Guinea
Pitcairn
Samoa
Solomon Islands
Tokelau
Tonga
Tuvalu
Vanuatu
Wake Island
Wallis and Futuna Islands

Distribution of developing economies by geographical region and economic grouping (continued)

2. ECONOMIC GROUPING

Least developed countries (LDCs) (50)

	Year of inclusion in the group		Year of inclusion in the group		Year of inclusion in the group
Africa and Haiti					
Angola	1994	Gambia	1975	Niger	1971
Benin	1971	Guinea	1971	Rwanda	1971
Burkina Faso	1971	Guinea-Bissau	1981	Senegal	2001
Burundi	1971	Haiti	1971	Sierra Leone	1982
Central African Republic	1975	Lesotho	1971	Somalia	1971
Chad	1971	Liberia	1990	Sudan	1971
Democratic Republic of the Congo	1991	Madagascar	1991	Togo	1982
Djibouti	1982	Malawi	1971	Uganda	1971
Equatorial Guinea	1982	Mali	1971	United Republic of Tanzania	1971
Eritrea	1994	Mauritania	1986	Zambia	1991
Ethiopia	1971	Mozambique	1988		
Asia		**Islands**			
Afghanistan	1971	Cape Verde	1977	Tuvalu	1986
Bangladesh	1975	Comoros	1977	Vanuatu	1985
Bhutan	1971	Kiribati	1986		
Cambodia	1991	Maldives	1971		
Lao People's Democratic Republic	1971	Samoa	1971		
Myanmar	1987	Sao Tome and Principe	1982		
Nepal	1971	Solomon Islands	1991		
Yemen	1971	Timor-Leste	2003		

Small island developing States (SIDS) (29)

Antigua and Barbuda	Maldives	Samoa
Bahamas	Marshall Islands	Sao Tome and Principe
Barbados	Mauritius	Seychelles
Cape Verde	Micronesia (Federated States of)	Solomon Islands
Comoros	Nauru	Timor-Leste
Dominica	Palau	Tonga
Fiji	Papua New Guinea	Trinidad and Tobago
Grenada	Saint Kitts and Nevis	Tuvalu
Jamaica	Saint Lucia	Vanuatu
Kiribati	Saint Vincent and the Grenadines	

Distribution of developed economies and economies in transition by geographical region

1. DEVELOPED ECONOMIES

America

Bermuda
Canada
Greenland
Saint Pierre and Miquelon
United States of America, including Puerto Rico

Asia

Israel
Japan

Europe

Andorra
Austria
Belgium
Bulgaria
Cyprus
Czech Republic
Denmark
Estonia
Faeroe Islands
Finland, including Åland Islands
France, including French Guyana, Guadeloupe, Martinique, Monaco and Réunion
Germany
Gibraltar
Greece
Holy See
Hungary
Iceland
Ireland
Italy
Latvia
Lithuania
Luxembourg
Malta
Netherlands
Norway, including Svalbard and Jan Mayen
Poland
Portugal
Romania
San Marino
Slovakia
Slovenia
Spain
Sweden
Switzerland, including Liechtenstein
United Kingdom of Great Britain and Northern Ireland, including Channel Islands and Isle of Man

Oceania

Australia
New Zealand

2. ECONOMIES IN TRANSITION

Asia

Armenia
Azerbaijan
Georgia
Kazakhstan
Kyrgyzstan
Tajikistan
Turkmenistan
Uzbekistan

Europe

Albania
Belarus
Bosnia and Herzegovina
Croatia
Macedonia (the former Yugoslav Republic of)
Moldova
Russian Federation
Serbia and Montenegro
Ukraine

Distribution of economies by trade group

1. AMERICA

Free Trade Area of the Americas (FTAA) (34)

	Year of accession		Year of accession		Year of accession
Antigua and Barbuda	1994	Dominican Republic	1994	Paraguay	1994
Argentina	1994	Ecuador	1994	Peru	1994
Bahamas	1994	El Salvador	1994	Saint Kitts and Nevis	1994
Barbados	1994	Grenada	1994	Saint Lucia	1994
Belize	1994	Guatemala	1994	Saint Vincent and the Grenadines	1994
Bolivia	1994	Guyana	1994	Suriname	1994
Brazil	1994	Haiti	1994	Trinidad and Tobago	1994
Canada	1994	Honduras	1994	United States of America	1994
Chile	1994	Jamaica	1994	Uruguay	1994
Colombia	1994	Mexico	1994	Venezuela (Bolivarian Republic of)	1994
Costa Rica	1994	Nicaragua	1994		
Dominica	1994	Panama	1994		

Mercado Común del Sur (MERCOSUR) (4)

Argentina	1994	Paraguay	1994
Brazil	1994	Uruguay	1994

North American Free Trade Agreement (NAFTA) (3)

Canada	1992	United States of America	1992
Mexico	1992		

2. ASIA

Association of Southeast Asian Nations (ASEAN) (10)

	Year of accession		Year of accession		Year of accession
Brunei Darussalam	1984	Lao People's Democratic Republic	1997	Philippines	1967
Cambodia	1999	Malaysia	1967	Singapore	1967
Indonesia	1967	Myanmar	1997	Thailand	1967
				Viet Nam	1995

Distribution of economies by trade group (continued)

3. EUROPE

European Union (EU) (27)

	Year of accession		Year of accession		Year of accession
Austria	1995	Germany	1957	Netherlands	1957
Belgium	1957	Greece	1981	Poland	2004
Bulgaria	2007	Hungary	2004	Portugal	1986
Cyprus	2004	Ireland	1973	Romania	2007
Czech Republic	2004	Italy	1957	Slovakia	2004
Denmark	1973	Latvia	2004	Slovenia	2004
Estonia	2004	Lithuania	2004	Spain	1986
Finland	1995	Luxembourg	1957	Sweden	1995
France	1957	Malta	2004	United Kingdom	1973

4. INTERREGIONAL GROUP

African, Caribbean and Pacific Group of States (ACP Group) (79)

Angola
Antigua and Barbuda
Bahamas
Barbados
Belize
Benin
Botswana
Burkina Faso
Burundi
Cameroon
Cape Verde
Central African Republic
Chad
Comoros
Congo
Cook Islands
Côte d'Ivoire
Cuba
Democratic Republic of the Congo
Djibouti
Dominica
Dominican Republic
Equatorial Guinea
Eritrea
Ethiopia
Fiji
Gabon
Gambia
Ghana
Grenada
Guinea
Guinea-Bissau
Guyana
Haiti
Jamaica
Kenya
Kiribati
Lesotho
Liberia
Madagascar
Malawi
Mali
Marshall Islands
Mauritania
Mauritius
Micronesia (Federated States of)
Mozambique
Namibia
Nauru
Niger
Nigeria
Niue
Palau
Papua New Guinea Rwanda
Saint Kitts and Nevis
Saint Lucia
Saint Vincent and the Grenadines
Samoa
Sao Tome and Principe
Senegal
Seychelles
Sierra Leone
Solomon Islands
Somalia
South Africa
Sudan
Suriname
Swaziland
Timor-Leste
Togo
Tonga
Trinidad and Tobago
Tuvalu
Uganda
United Republic of Tanzania
Vanuatu
Zambia
Zimbabwe

TABLE 1.1

CREATIVE GOODS: EXPORTS AND IMPORTS, BY ECONOMIC GROUP, REGION AND COUNTRY/TERRITORY, 1996-2005

EXPORTS (f.o.b., in millions of $)

Economic group, region and country/territory	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
WORLD	**189,214**	**201,761**	**206,999**	**213,271**	**228,695**	**227,634**	**239,487**	**268,061**	**305,408**	**335,494**
Developed economies (1)	133,195	131,037	135,192	136,220	137,378	140,650	146,020	162,070	182,534	196,109
Developing economies	55,997	69,606	70,404	75,730	89,827	85,224	91,817	104,028	119,910	136,231
Economies in transition (2)	21	1,118	1,402	1,320	1,490	1,760	1,650	1,963	2,964	3,154
Developed economies: America	**26,842**	**27,364**	**28,013**	**28,091**	**31,116**	**31,269**	**28,700**	**29,691**	**32,886**	**36,921**
Canada	9,312	8,860	9,007	9,402	10,413	10,374	9,954	10,266	10,825	11,377
Greenland	1	1	1	1	1	1	1	-	-	-
United States of America	17,529	18,503	19,005	18,688	20,703	20,894	18,744	19,424	22,061	25,544
Developed economies: Asia	**4,312**	**4,782**	**5,017**	**6,910**	**5,451**	**4,601**	**4,693**	**4,149**	**4,697**	**6,296**
Israel	694	642	621	644	648	700	768	750	724	749
Japan	3,618	4,139	4,396	6,266	4,803	3,902	3,925	3,399	3,973	5,547
Developed economies: Europe	**100,924**	**97,834**	**101,181**	**100,231**	**99,936**	**103,913**	**111,641**	**127,093**	**143,593**	**151,489**
European Union (EU-27)	**96,115**	**93,190**	**96,671**	**95,878**	**95,378**	**99,445**	**106,059**	**121,418**	**136,922**	**145,056**
Austria	2,355	2,960	3,221	3,230	2,952	3,208	3,604	4,233	4,510	4,883
Belgium	-	-	-	-	-	-	6,687	8,129	9,173	9,343
Belgium-Luxembourg	6,135	6,209	6,221	6,718	6,573	6,726	-	-	-	-
Bulgaria	121	125	108	102	112	124	163	212	244	258
Cyprus	40	33	32	30	31	30	34	36	40	32
Czech Republic	1,161	-	1,488	1,471	1,390	1,546	1,741	2,187	2,515	2,759
Denmark	2,341	-	2,499	2,381	2,464	2,423	2,634	3,057	3,412	3,449
Estonia	101	117	144	139	157	204	219	260	250	263
Finland	1,551	1,440	1,435	1,284	1,198	1,205	1,045	1,139	1,144	1,043
France	12,368	11,913	12,113	12,193	12,221	12,376	13,069	15,080	16,718	17,706
Germany	13,976	13,039	14,068	13,950	12,991	14,404	16,476	19,078	22,136	24,763
Greece	576	647	586	512	517	558	487	678	704	754
Hungary	393	418	489	497	500	832	1,198	639	796	842
Ireland	1,464	1,130	840	1,234	1,720	2,316	2,065	2,386	2,138	2,275
Italy	23,654	22,042	21,878	21,480	21,931	21,705	22,322	24,191	27,493	28,008
Latvia	-	66	82	86	89	123	131	138	177	191
Lithuania	-	109	105	101	126	142	191	273	371	464
Luxembourg	-	-	-	-	-	-	175	224	231	209
Malta	158	141	135	150	139	136	157	188	208	201
Netherlands	5,235	5,881	4,754	5,068	4,811	5,071	4,174	5,784	6,763	7,250
Poland	1,602	1,908	1,885	1,759	1,984	2,093	2,374	3,101	3,827	4,215
Portugal	1,206	1,199	1,208	1,119	1,058	1,062	1,111	1,308	1,446	1,371
Romania	-	621	612	580	623	724	867	1,107	1,316	1,406
Slovakia	-	319	347	296	336	412	490	647	833	931
Slovenia	412	389	385	363	355	408	456	557	732	847
Spain	5,988	6,193	6,269	6,442	6,372	6,855	7,413	8,267	9,011	9,138
Sweden	2,839	2,510	2,698	2,565	2,393	2,445	2,887	3,136	3,511	3,427
United Kingdom of Great Britain and Northern Ireland	12,439	13,780	13,069	12,126	12,333	12,316	13,891	15,385	17,225	19,030
Other European economies	**4,809**	**4,644**	**4,510**	**4,353**	**4,559**	**4,468**	**5,582**	**5,675**	**6,671**	**6,433**
Andorra	16	20	25	12	13	15	8	9	11	-
Faeroe Islands	5	4	4	4	3	4	3	4	3	5
Iceland	-	19	11	9	11	10	13	11	10	9
Norway	286	280	282	324	291	297	309	325	347	366
Switzerland	4,501	4,321	4,188	4,004	4,241	4,142	5,248	5,326	6,300	6,053
Developed economies: Oceania	**1,117**	**1,057**	**981**	**988**	**875**	**867**	**986**	**1,136**	**1,358**	**1,403**
Australia	665	682	631	681	647	608	709	823	1,006	1,054
New Zealand	452	375	350	307	227	258	277	313	352	348
Developing economies: Africa	**33**	**461**	**510**	**545**	**973**	**968**	**1,240**	**1,296**	**1,472**	**1,775**
Eastern Africa	**13**	**114**	**123**	**139**	**205**	**140**	**321**	**241**	**351**	**238**
Burundi	-	-	-	-	-	-	-	0	0	0
Eritrea	-	-	-	-	-	-	-	0	-	-
Ethiopia	-	-	-	-	-	1	1	6	-	-
Kenya	-	52	52	48	29	22	68	104	48	-
Madagascar	7	7	6	13	46	47	21	10	52	45
Malawi	3	-	-	11	3	4	3	8	9	6
Mauritius	-	49	48	47	51	51	67	86	82	84
Mayotte	-	-	-	-	0	1	1	0	0	0
Mozambique	-	-	-	-	1	2	1	3	6	18
Rwanda	-	-	-	-	-	0	0	0	-	-
Seychelles	-	0	0	0	-	-	-	0	0	0
Uganda	3	2	2	3	2	3	4	2	9	9
United Republic of Tanzania	-	2	8	6	4	3	8	16	16	17
Zambia	-	2	7	10	9	3	6	7	17	57
Zimbabwe	-	-	-	-	61	4	141	-	112	-

For sources and notes, see end of table.

TABLE 1.1

IMPORTS (c.i.f., in millions of $)

1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	Economic group, region and country/territory
190,492	**208,274**	**214,516**	**224,881**	**242,685**	**243,301**	**257,134**	**285,011**	**321,648**	**350,884**	**WORLD**
163,356	168,775	177,589	185,729	194,994	196,488	209,236	232,620	261,876	284,147	Developed economies (1)
27,074	37,637	35,181	38,006	46,114	44,397	44,934	48,631	54,660	60,759	Developing economies
63	1,862	1,745	1,146	1,576	2,416	2,963	3,761	5,112	5,978	Economies in transition (2)
54,435	**60,749**	**66,803**	**72,945**	**81,244**	**80,922**	**85,573**	**89,447**	**97,999**	**107,115**	**Developed economies: America**
6,191	7,092	7,534	7,850	8,272	8,265	8,837	9,836	10,754	12,094	Canada
16	13	17	19	13	13	18	-	-	-	Greenland
48,227	53,644	59,252	65,076	72,958	72,643	76,718	79,612	87,244	95,021	United States of America
16,062	**14,849**	**12,614**	**13,638**	**15,516**	**15,680**	**14,891**	**15,942**	**17,806**	**19,714**	**Developed economies: Asia**
1,097	1,069	1,058	1,080	1,167	1,246	1,068	966	1,066	1,122	Israel
14,965	13,780	11,556	12,558	14,350	14,433	13,823	14,976	16,740	18,592	Japan
88,930	**89,047**	**94,128**	**95,022**	**93,892**	**96,224**	**104,387**	**122,008**	**139,804**	**150,575**	**Developed economies: Europe**
80,230	**80,382**	**85,437**	**86,600**	**85,079**	**87,437**	**94,286**	**110,807**	**127,223**	**137,957**	**European Union (EU-27)**
4,253	3,698	3,576	3,818	3,433	3,451	3,640	4,457	5,216	5,592	Austria
-	-	-	-	-	-	5,513	6,672	7,626	8,077	Belgium
4,974	5,002	5,345	5,843	5,749	5,395	-	-	-	-	Belgium-Luxembourg
99	84	111	125	135	165	189	264	330	402	Bulgaria
224	226	263	261	267	281	306	353	415	443	Cyprus
943	639	1,078	1,110	1,019	1,126	1,385	1,754	2,291	2,523	Czech Republic
1,673	907	1,944	1,971	1,891	1,960	2,064	2,499	2,613	3,071	Denmark
125	172	172	143	156	184	179	211	207	236	Estonia
786	803	850	873	879	868	933	1,154	1,352	1,469	Finland
11,034	10,540	11,165	11,607	11,948	11,842	12,746	15,155	17,359	18,717	France
19,436	18,109	18,769	18,109	16,322	17,100	17,573	20,028	21,719	24,418	Germany
1,658	1,577	1,656	1,488	1,304	1,359	1,466	2,071	2,417	2,700	Greece
494	532	667	721	732	793	947	1,219	1,448	1,393	Hungary
1,181	1,181	1,238	1,401	1,364	1,444	1,597	1,762	2,119	2,399	Ireland
5,099	5,106	5,366	5,651	6,020	6,025	6,684	7,917	9,541	10,448	Italy
-	139	161	162	164	182	198	237	264	319	Latvia
-	168	196	171	148	167	184	246	290	340	Lithuania
-	-	-	-	-	-	479	613	660	634	Luxembourg
139	127	125	127	126	123	118	154	176	184	Malta
5,877	6,227	5,538	5,970	5,701	5,644	5,208	6,103	6,986	7,311	Netherlands
1,216	1,357	1,508	1,445	1,423	1,418	1,520	1,621	1,955	2,179	Poland
1,204	1,265	1,368	1,540	1,487	1,431	1,542	1,837	1,982	2,034	Portugal
-	366	397	341	383	492	633	817	968	1,187	Romania
-	312	378	278	273	342	400	503	665	711	Slovakia
243	251	276	303	281	321	354	445	559	548	Slovenia
3,613	3,791	4,150	4,575	4,420	4,752	5,118	6,600	7,922	8,903	Spain
2,002	1,986	2,064	2,215	2,125	2,083	2,346	2,779	3,270	3,506	Sweden
13,958	15,816	17,078	16,353	17,329	18,492	20,964	23,337	26,875	28,212	United Kingdom of Great Britain and Northern Ireland
8,699	**8,665**	**8,691**	**8,422**	**8,813**	**8,787**	**10,101**	**11,201**	**12,581**	**12,618**	**Other European economies**
149	148	160	163	154	147	153	179	196	-	Andorra
15	14	16	17	17	18	21	25	28	30	Faeroe Islands
-	92	109	107	103	96	92	135	161	218	Iceland
1,755	1,777	1,801	1,798	1,689	1,625	1,848	2,126	2,416	2,716	Norway
6,781	6,634	6,606	6,337	6,850	6,901	7,987	8,737	9,780	9,655	Switzerland
3,930	**4,130**	**4,044**	**4,123**	**4,342**	**3,663**	**4,386**	**5,222**	**6,267**	**6,743**	**Developed economies: Oceania**
3,140	3,317	3,498	3,366	3,641	3,001	3,617	4,275	5,139	5,473	Australia
790	813	546	757	701	662	769	947	1,127	1,270	New Zealand
211	**1,260**	**1,351**	**1,493**	**2,085**	**2,336**	**2,704**	**3,185**	**3,749**	**4,288**	**Developing economies: Africa**
62	**281**	**336**	**412**	**419**	**612**	**646**	**675**	**964**	**812**	**Eastern Africa**
-	-	-	-	-	-	-	2	4	7	Burundi
-	-	-	-	-	-	-	8	-	-	Eritrea
-	-	-	-	-	44	50	63	-	-	Ethiopia
-	64	78	77	64	88	81	94	229	-	Kenya
19	20	22	19	28	32	17	54	40	51	Madagascar
-	-	-	36	19	29	36	42	48	63	Malawi
-	83	82	84	88	88	106	117	124	121	Mauritius
-	-	-	-	6	8	8	10	12	13	Mayotte
-	-	-	-	42	27	29	50	63	87	Mozambique
-	-	-	-	-	35	9	10	-	-	Rwanda
-	15	19	14	-	3	5	16	14	17	Seychelles
43	30	40	41	38	39	47	58	75	84	Uganda
-	32	43	42	42	45	51	51	70	81	United Republic of Tanzania
-	37	51	98	91	151	165	99	266	287	Zambia
-	-	-	-	-	22	42	-	20	-	Zimbabwe

For sources and notes, see end of table.

TABLE

1.1

CONTINUED

EXPORTS (f.o.b., in millions of $)

Economic group, region and country/territory	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Middle Africa	**-**	**3**	**3**	**3**	**7**	**10**	**13**	**15**	**17**	**15**
Cameroon	-	-	-	-	5	8	12	13	9	9
Central African Republic	-	0	0	0	0	0	0	0	-	0
Gabon	-	2	3	3	2	2	1	2	8	7
Sao Tome and Principe	-	-	-	0	0	0	0	-	-	-
Northern Africa	**17**	**3**	**6**	**13**	**153**	**183**	**391**	**392**	**397**	**457**
Algeria	17	3	6	12	9	9	19	26	6	-
Morocco	-	-	-	-	-	-	197	171	175	210
Sudan	-	-	-	1	1	0	0	0	0	0
Tunisia	-	-	-	-	143	173	174	195	216	247
Southern Africa	**-**	**337**	**355**	**348**	**523**	**548**	**471**	**594**	**583**	**747**
Botswana	-	-	-	-	13	15	13	10	-	-
Namibia	-	-	-	-	116	165	47	169	138	239
South Africa	-	337	355	348	355	340	380	415	446	508
Swaziland	-	-	-	-	38	27	32	-	-	-
Western Africa	**3**	**4**	**23**	**43**	**85**	**87**	**43**	**54**	**124**	**319**
Benin	-	-	1	2	1	1	2	1	3	1
Burkina Faso	-	-	-	-	-	2	3	2	2	-
Cape Verde	-	0	0	0	0	0	0	-	0	0
Côte d'Ivoire	-	-	-	-	-	44	-	-	76	72
Gambia	0	0	1	0	2	0	0	0	0	0
Ghana	-	-	-	-	-	-	-	7	6	209
Guinea	-	-	0	0	61	15	8	-	-	-
Mali	-	-	0	3	1	2	1	1	1	-
Mauritania	-	-	-	-	-	-	-	-	-	-
Niger	-	-	2	2	3	0	0	0	0	0
Nigeria	-	-	-	1	0	1	4	6	-	-
Senegal	3	4	12	17	11	18	20	25	28	28
Togo	-	-	7	18	5	4	5	10	8	9
Developing economies: America	**3,491**	**5,943**	**6,522**	**6,560**	**6,769**	**6,580**	**7,065**	**6,740**	**7,747**	**8,641**
Caribbean	**3**	**13**	**24**	**58**	**72**	**84**	**50**	**66**	**149**	**57**
Anguilla	-	-	-	-	-	-	1	0	0	-
Antigua and Barbuda	-	-	-	1	1	-	-	-	-	3
Aruba	-	-	-	-	-	-	2	1	1	1
Bahamas	-	7	14	12	19	9	-	-	-	-
Barbados	-	-	-	-	5	6	5	5	3	13
Cuba	-	-	-	4	5	5	4	23	105	-
Dominica	-	-	-	15	14	12	10	11	11	10
Dominican Republic	-	-	-	-	-	22	-	-	-	-
Grenada	-	-	-	-	1	0	0	0	1	-
Haiti	3	5	-	-	-	-	-	-	-	-
Jamaica	-	-	4	5	4	4	5	5	4	5
Montserrat	-	-	-	0	-	0	0	0	0	0
Netherlands Antilles	-	-	5	-	-	-	-	-	-	-
Saint Kitts and Nevis	-	-	-	1	1	1	0	1	1	1
Saint Lucia	-	-	-	-	1	1	1	1	1	2
Saint Vincent and the Grenadines	-	-	0	0	0	0	1	1	1	0
Trinidad and Tobago	-	-	-	20	21	24	20	18	20	22
Turks and Caicos Islands	-	-	-	0	0	0	0	0	0	-
Central America	**2,693**	**3,779**	**4,244**	**4,411**	**4,454**	**4,154**	**4,641**	**4,081**	**4,309**	**4,723**
Belize	-	-	0	0	4	0	0	0	0	0
Costa Rica	-	139	179	163	105	90	103	105	131	160
El Salvador	-	-	40	43	48	54	60	50	37	-
Guatemala	-	75	103	142	144	118	52	99	105	200
Honduras	-	111	78	73	52	55	55	41	79	80
Mexico	2,693	3,430	3,835	3,981	4,088	3,819	4,353	3,775	3,944	4,271
Nicaragua	-	25	2	2	2	3	9	6	7	9
Panama	-	-	7	7	11	15	10	5	5	3
South America	**795**	**2,151**	**2,255**	**2,092**	**2,243**	**2,342**	**2,375**	**2,592**	**3,290**	**3,860**
Argentina	449	393	361	291	293	288	246	257	332	394
Bolivia	-	82	68	60	63	61	72	69	79	83
Brazil	-	931	895	950	1,029	1,043	1,191	1,346	1,807	2,192
Chile	-	275	258	234	234	266	189	174	209	233
Colombia	283	301	323	299	353	405	384	436	490	565
Ecuador	19	-	29	26	30	39	39	36	40	38
Guyana	-	4	2	5	3	2	4	12	3	6
Paraguay	-	-	4	5	6	8	9	10	15	15
Peru	-	-	173	103	112	121	148	164	204	241
Suriname	-	-	-	-	-	-	-	-	-	-

For sources and notes, see end of table.

TABLE
1.1

IMPORTS (c.i.f., in millions of $)

1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	Economic group, region and country/territory
-	35	37	33	58	71	73	83	90	121	**Middle Africa**
-	-	-	-	28	38	48	57	59	68	Cameroon
-	1	2	2	2	2	2	2	-	3	Central African Republic
-	33	36	30	27	30	22	22	31	49	Gabon
-	-	-	1	1	1	1	2	-	-	Sao Tome and Principe
99	88	106	151	398	445	742	819	1,102	989	**Northern Africa**
99	88	106	133	127	125	138	139	219	-	Algeria
-	-	-	-	-	-	253	332	400	440	Morocco
-	-	-	18	40	53	65	70	107	127	Sudan
-	-	-	-	231	267	286	278	377	422	Tunisia
-	803	750	676	958	817	906	1,162	1,203	1,542	**Southern Africa**
-	-	-	-	146	146	232	372	-	-	Botswana
-	-	-	-	92	71	66	70	122	134	Namibia
-	803	750	676	682	566	571	720	1,080	1,408	South Africa
-	-	-	-	39	34	36	-	-	-	Swaziland
50	53	122	221	253	391	337	446	390	825	**Western Africa**
-	-	17	16	15	14	18	24	27	27	Benin
-	-	-	-	-	11	16	18	27	-	Burkina Faso
-	9	11	11	10	9	12	14	16	21	Cape Verde
-	-	-	-	-	42	-	-	62	60	Côte d'Ivoire
8	12	10	9	7	4	4	8	7	8	Gambia
-	-	-	-	-	-	-	75	105	576	Ghana
-	-	17	12	23	10	12	-	-	-	Guinea
-	-	11	13	11	16	19	27	35	-	Mali
-	-	-	-	4	6	7	6	8	11	Mauritania
-	-	9	6	7	7	8	12	13	25	Niger
-	-	-	100	140	221	190	194	-	-	Nigeria
41	32	31	33	28	40	41	56	77	83	Senegal
-	-	17	21	9	11	10	11	14	13	Togo
3,377	7,239	9,084	8,546	9,123	9,289	8,354	8,184	8,909	10,923	**Developing economies: America**
-	127	461	590	748	881	606	651	644	607	**Caribbean**
-	-	-	-	-	-	5	5	6	-	Anguilla
-	-	-	17	17	-	-	-	-	24	Antigua and Barbuda
-	-	-	-	-	-	52	48	58	38	Aruba
-	127	154	131	157	143	-	-	-	-	Bahamas
-	-	-	-	89	85	79	87	62	120	Barbados
-	-	-	130	140	167	122	132	134	-	Cuba
-	-	-	6	6	5	5	5	6	7	Dominica
-	-	-	-	-	164	-	-	-	-	Dominican Republic
-	-	-	-	13	10	11	21	11	-	Grenada
-	-	-	-	-	-	-	-	-	-	Haiti
-	-	247	204	210	177	189	193	191	230	Jamaica
-	-	-	1	-	1	1	1	1	1	Montserrat
-	-	51	-	-	-	-	-	-	-	Netherlands Antilles
-	-	-	11	10	13	19	15	14	13	Saint Kitts and Nevis
-	-	-	-	19	13	23	30	33	39	Saint Lucia
-	-	9	15	9	13	9	11	14	14	Saint Vincent and the Grenadines
-	-	-	65	68	80	80	93	98	122	Trinidad and Tobago
-	-	-	11	10	10	10	9	16	-	Turks and Caicos Islands
1,912	3,036	3,987	4,116	4,530	4,702	5,042	5,027	5,039	5,709	**Central America**
-	-	10	7	13	13	13	27	19	23	Belize
-	169	203	168	185	191	199	204	214	221	Costa Rica
-	31	122	121	155	169	173	196	207	-	El Salvador
-	144	177	166	169	217	235	246	275	347	Guatemala
-	60	84	96	80	79	98	111	121	162	Honduras
1,912	2,586	3,134	3,275	3,654	3,789	4,052	3,967	4,111	4,616	Mexico
-	46	57	68	73	76	87	85	94	98	Nicaragua
-	-	201	215	201	168	186	191	-	242	Panama
1,465	4,076	4,636	3,839	3,845	3,706	2,707	2,507	3,226	4,607	**South America**
651	879	960	880	880	733	142	243	408	560	Argentina
-	64	85	71	71	73	70	57	59	68	Bolivia
-	1,427	1,268	867	784	689	564	430	557	745	Brazil
-	619	622	480	568	488	457	474	571	688	Chile
377	436	414	306	293	310	312	292	331	447	Colombia
159	115	202	118	108	204	257	264	305	367	Ecuador
-	20	15	15	16	17	17	24	22	21	Guyana
-	-	156	91	145	129	87	96	143	172	Paraguay
-	-	271	226	227	245	263	266	297	337	Peru
-	-	-	-	-	-	18	22	24	154	Suriname

For sources and notes, see end of table.

TABLE

1.1

CONTINUED

EXPORTS (f.o.b., in millions of $)

Economic group, region and country/territory	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Uruguay	-	117	100	75	79	73	56	55	52	59
Venezuela (Bolivarian Republic of)	45	49	43	43	42	37	37	32	59	33
Developing economies: Asia	**52,469**	**63,198**	**63,363**	**68,609**	**82,063**	**77,670**	**83,499**	**95,974**	**110,669**	**125,786**
Eastern Asia	**45,979**	**51,509**	**50,850**	**52,690**	**63,058**	**59,412**	**64,646**	**72,294**	**82,148**	**94,608**
China	18,428	22,861	23,425	24,261	28,474	28,845	35,022	41,919	50,143	61,360
China, SAR of Hong Kong	24,391	25,681	24,228	25,007	27,417	24,442	24,154	24,499	26,218	27,677
China, SAR of Macao	115	53	43	37	45	44	40	41	52	-
China, Taiwan Province of	-	-	-	-	3,533	2,882	2,709	2,597	2,725	2,622
Mongolia	-	2	2	2	6	3	2	4	4	7
Republic of Korea	3,045	2,911	3,154	3,383	3,583	3,195	2,719	3,235	3,006	2,942
Southern Asia	**2,382**	**3,413**	**3,742**	**4,329**	**4,642**	**4,380**	**4,663**	**7,643**	**9,305**	**10,869**
Bangladesh	-	-	-	-	-	-	73	75	131	-
Bhutan	-	-	-	0	-	-	-	-	-	-
India	2,382	2,633	2,932	3,043	3,591	3,358	3,619	5,365	7,022	8,155
Iran (Islamic Republic of)	-	780	673	812	836	736	757	865	864	943
Maldives	-	-	0	-	-	-	0	-	7	6
Nepal	-	-	137	176	215	-	-	89	-	-
Pakistan	-	-	-	-	-	-	-	1,068	1,088	1,581
Sri Lanka	-	-	-	297	-	286	214	180	192	184
Southeastern Asia	**2,346**	**6,075**	**6,447**	**9,125**	**11,616**	**10,893**	**10,701**	**11,649**	**13,644**	**14,361**
Brunei Darussalam	-	-	-	-	-	-	15	5	-	-
Cambodia	-	-	-	-	283	219	445	355	646	-
Indonesia	2,346	1,974	2,643	2,249	2,811	2,552	2,315	2,288	2,548	2,833
Malaysia	-	1,971	1,880	2,161	2,435	2,116	2,252	2,423	3,098	3,233
Philippines	-	-	-	-	1,252	1,104	941	876	853	905
Singapore	-	2,129	1,925	1,541	1,503	1,575	1,404	2,237	2,699	3,067
Thailand	-	-	-	3,174	3,332	3,327	3,328	3,466	3,801	4,323
Western Asia	**1,763**	**2,202**	**2,323**	**2,465**	**2,747**	**2,986**	**3,489**	**4,388**	**5,573**	**5,947**
Bahrain	-	-	-	-	-	-	27	26	32	26
Jordan	-	-	69	83	71	104	97	143	202	264
Kuwait	-	-	-	-	24	25	-	-	-	-
Lebanon	-	103	105	111	140	162	177	151	188	-
Oman	-	-	-	-	30	23	32	42	55	81
Qatar	-	-	-	-	24	4	17	9	26	20
Saudi Arabia	-	-	-	144	126	178	256	371	576	396
Syrian Arab Republic	-	-	-	-	-	21	36	52	55	65
Turkey	1,763	2,099	2,149	2,127	2,332	2,469	2,847	3,595	4,424	5,081
Yemen	-	-	-	-	-	-	-	-	14	14
Developing economies: Oceania	**4**	**3**	**9**	**16**	**22**	**6**	**12**	**18**	**22**	**29**
Cook Islands	-	-	-	-	0	-	-	0	0	-
Fiji	-	-	-	-	15	-	8	12	10	7
French Polynesia	4	3	9	16	6	5	3	4	10	16
Kiribati	-	-	-	-	-	-	-	-	-	0
New Caledonia	-	-	-	-	-	1	1	1	1	7
Papua New Guinea	-	-	-	-	-	0	0	1	-	-
Samoa	-	-	-	-	-	0	0	0	1	-
Tuvalu	-	-	-	-	-	-	-	-	-	-
Economies in transition: Asia	**-**	**8**	**9**	**11**	**23**	**29**	**26**	**46**	**63**	**89**
Armenia	-	8	-	5	13	17	17	29	36	40
Azerbaijan	-	-	-	2	1	1	1	1	2	5
Georgia	-	-	1	0	1	2	1	2	3	10
Kazakhstan	-	-	8	-	3	7	5	11	16	30
Kyrgyzstan	-	-	-	-	2	2	2	3	5	5
Turkmenistan	-	-	-	3	2	-	-	-	-	-
Economies in transition: Europe	**21**	**1,110**	**1,393**	**1,309**	**1,468**	**1,731**	**1,624**	**1,916**	**2,901**	**3,065**
Albania	4	5	7	11	7	9	10	15	16	20
Belarus	-	-	244	214	276	305	323	362	470	419
Bosnia and Herzegovina	-	-	-	-	-	-	-	34	51	70
Croatia	-	124	132	128	118	133	154	217	382	397
Macedonia, TFYR	17	19	17	16	16	13	15	16	23	26
Moldova	-	-	-	-	14	15	15	19	27	35
Russian Federation	-	963	993	941	990	1,051	881	1,020	1,395	1,649
Serbia and Montenegro	-	-	-	-	46	56	65	-	88	111
Ukraine	-	-	-	-	-	149	160	233	449	336

SOURCE: UNCTAD secretariat calculations based on United Nations Comtrade database data.

NOTES: (1) Developed economies, including Bulgaria and Romania.

(2) Excluding Bulgaria and Romania, which are included in the European Union (EU-27).

TABLE
1.1

IMPORTS (c.i.f., in millions of $)

1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	Economic group, region and country/territory
-	121	133	129	120	104	56	51	75	86	Uruguay
277	396	509	656	633	714	465	288	433	963	Venezuela (Bolivarian Republic of)
23,431	**29,087**	**24,680**	**27,912**	**34,840**	**32,622**	**33,673**	**37,015**	**41,761**	**45,308**	**Developing economies: Asia**
21,874	**22,298**	**19,423**	**20,749**	**25,321**	**23,560**	**23,900**	**25,790**	**28,546**	**30,475**	**Eastern Asia**
2,331	2,419	1,974	2,036	2,242	2,374	2,460	2,985	3,326	3,676	China
16,992	17,830	16,657	17,557	19,455	17,711	17,525	18,473	20,217	21,136	China, SAR of Hong Kong
86	79	62	67	70	79	106	123	215	-	China, SAR of Macao
-	-	-	-	1,985	1,602	1,417	1,594	2,105	2,382	China, Taiwan Province of
-	11	13	14	21	15	-	28	20	36	Mongolia
2,465	1,960	717	1,075	1,548	1,779	2,392	2,587	2,663	3,245	Republic of Korea
551	**793**	**866**	**991**	**1,099**	**1,330**	**1,838**	**1,997**	**2,301**	**2,548**	**Southern Asia**
-	-	-	-	-	-	236	267	306	-	Bangladesh
-	-	-	3	-	-	-	-	-	-	Bhutan
551	702	722	783	998	1,085	1,340	1,130	1,328	1,638	India
-	77	112	38	57	68	89	121	216	322	Iran (Islamic Republic of)
-	15	16	19	20	21	23	27	36	35	Maldives
-	-	15	21	24	-	-	52	-	-	Nepal
-	-	-	-	-	-	-	216	203	294	Pakistan
-	-	-	126	-	156	151	185	212	259	Sri Lanka
265	**4,704**	**2,938**	**3,827**	**4,743**	**4,316**	**4,618**	**5,446**	**6,102**	**6,478**	**Southeastern Asia**
-	-	-	-	-	-	63	66	-	-	Brunei Darussalam
-	-	-	-	59	58	64	69	73	-	Cambodia
265	257	130	104	149	133	161	243	282	310	Indonesia
-	914	694	685	835	763	908	980	1,122	982	Malaysia
-	-	-	-	333	300	321	328	367	384	Philippines
-	3,533	2,115	2,475	2,740	2,408	2,350	2,895	3,348	3,719	Singapore
-	-	-	562	626	655	751	865	911	1,084	Thailand
741	**1,292**	**1,452**	**2,346**	**3,678**	**3,415**	**3,317**	**3,782**	**4,811**	**5,808**	**Western Asia**
-	-	-	-	-	-	177	184	186	153	Bahrain
-	-	87	95	104	109	145	137	247	399	Jordan
-	-	-	-	541	545	-	-	-	-	Kuwait
-	429	422	341	298	364	352	337	410	-	Lebanon
-	-	-	-	139	192	183	177	236	258	Oman
-	-	-	-	204	161	183	215	248	480	Qatar
-	-	-	1,050	1,180	1,168	1,273	1,434	1,662	1,957	Saudi Arabia
-	-	-	-	-	18	33	45	65	84	Syrian Arab Republic
741	863	943	859	1,213	857	972	1,252	1,651	2,276	Turkey
-	-	-	-	-	-	-	-	106	200	Yemen
55	**50**	**66**	**55**	**66**	**150**	**203**	**247**	**240**	**239**	**Developing economies: Oceania**
-	-	-	-	-	-	-	3	4	-	Cook Islands
-	-	-	-	-	-	42	55	66	71	Fiji
55	50	66	55	66	58	63	77	81	83	French Polynesia
-	-	-	-	-	-	-	-	-	1	Kiribati
-	-	-	-	-	53	59	70	81	84	New Caledonia
-	-	-	-	-	35	35	36	-	-	Papua New Guinea
-	-	-	-	-	4	5	6	8	-	Samoa
-	0	0	0	-	-	-	-	-	-	Tuvalu
-	**12**	**113**	**113**	**242**	**232**	**291**	**376**	**550**	**686**	**Economies in transition: Asia**
-	12	-	22	22	26	20	24	31	40	Armenia
-	-	-	26	27	30	45	51	74	91	Azerbaijan
-	-	15	16	15	17	25	28	51	78	Georgia
-	-	98	-	113	146	186	252	370	448	Kazakhstan
-	-	-	-	16	14	15	21	24	30	Kyrgyzstan
-	-	-	48	50	-	-	-	-	-	Turkmenistan
63	**1,850**	**1,632**	**1,034**	**1,334**	**2,185**	**2,672**	**3,385**	**4,562**	**5,292**	**Economies in transition: Europe**
31	30	43	43	46	50	72	87	95	119	Albania
-	-	105	79	112	106	114	160	205	197	Belarus
-	-	-	-	-	-	-	152	190	263	Bosnia and Herzegovina
-	304	301	262	281	366	477	608	796	877	Croatia
31	30	32	32	35	32	42	53	71	97	Macedonia, TFYR
-	-	-	-	22	28	38	49	69	102	Moldova
-	1,487	1,151	618	782	1,279	1,520	1,958	2,383	2,680	Russian Federation
-	-	-	-	55	87	148	-	314	296	Serbia and Montenegro
-	-	-	-	-	236	261	316	439	662	Ukraine

SOURCE: UNCTAD secretariat calculations based on United Nations Comtrade database data.

NOTES: (1) Developed economies, including Bulgaria and Romania.
(2) Excluding Bulgaria and Romania, which are included in the European Union (EU-27).

TABLE

1.2.A CREATIVE GOODS: TOTAL WORLD EXPORTS, BY ORIGIN AND PRODUCT GROUP, 1996, 2000 AND 2005

Origin			Developed economies (1)							
				Europe						
Product group	Year	World	Total	Total	EU-27	Canada	United States	Japan	Other developed economies	Economies in transition (2)
		(In millions of $)								
All Creative Industries	**1996**	**189,214**	**133,195**	**100,924**	**96,115**	**9,312**	**17,529**	**3,618**	**1,812**	**21**
	2000	**228,695**	**137,378**	**99,936**	**95,378**	**10,413**	**20,703**	**4,803**	**1,523**	**1,490**
	2005	**335,494**	**196,109**	**151,489**	**145,056**	**11,377**	**25,544**	**5,547**	**2,152**	**3,154**
ARTS AND CRAFTS	**1996**	**14,738**	**7,043**	**5,897**	**4,696**	**188**	**660**	**96**	**203**	**5**
	2000	**17,707**	**6,873**	**5,482**	**4,253**	**248**	**861**	**120**	**163**	**78**
	2005	**23,244**	**9,227**	**7,606**	**7,404**	**343**	**977**	**88**	**212**	**137**
CARPETS	1996	2,869	1,751	1,589	781	13	114	2	34	1
	2000	3,459	1,479	1,336	627	43	81	2	16	33
	2005	4,071	1,588	1,426	1,390	30	108	5	19	30
CELEBRATION	1996	2,711	553	433	395	17	96	2	5	0
	2000	3,569	632	470	409	33	127	1	1	1
	2005	3,118	875	697	692	47	127	2	3	9
PAPERWARE	1996	49	32	23	12	0	7	1	0	0
	2000	87	46	18	15	0	26	2	1	0
	2005	62	30	16	15	0	11	2	0	0
WICKERWARE	1996	1,065	149	128	115	2	18	1	0	0
	2000	1,055	146	119	94	2	23	2	0	8
	2005	1,640	259	213	213	8	35	2	1	10
YARN	1996	2,193	1,262	1,072	892	9	89	66	26	9
	2000	2,784	1,428	1,117	931	12	213	64	22	31
	2005	4,808	1,752	1,448	1,350	12	204	57	32	66
OTHER	1996	5,851	3,296	2,653	2,502	147	336	23	137	0
	2000	6,754	3,142	2,423	2,176	157	391	48	123	11
	2005	9,546	4,723	3,807	3,744	246	492	21	158	46
AUDIOVISUALS	**1996**	**355**	**226**	**116**	**113**	**65**	**36**	**4**	**5**	**0**
	2000	**374**	**285**	**121**	**117**	**100**	**35**	**5**	**25**	**1**
	2005	**664**	**607**	**249**	**247**	**318**	**28**	**2**	**10**	**2**
FILM	1996	355	226	116	113	65	36	4	5	0
	2000	374	285	121	117	100	35	5	25	1
	2005	664	607	249	247	318	28	2	10	2
DESIGN	**1996**	**119,706**	**76,778**	**65,099**	**58,416**	**2,202**	**7,165**	**1,323**	**989**	**13**
	2000	**146,725**	**78,566**	**62,816**	**56,396**	**3,509**	**8,915**	**2,518**	**809**	**546**
	2005	**218,173**	**114,025**	**94,309**	**89,932**	**3,692**	**11,224**	**3,678**	**1,122**	**1,735**
GRAPHIC	1996	9,617	8,594	8,336	8,225	51	87	96	24	0
	2000	10,069	8,192	7,852	7,746	116	106	86	32	98
	2005	16,422	11,270	10,909	10,884	157	108	55	41	198
FASHION	1996	33,871	17,224	14,476	13,617	254	2,164	210	121	6
	2000	40,374	17,426	14,494	13,445	304	2,333	182	113	116
	2005	60,100	28,075	25,076	24,476	341	2,351	171	135	161
GLASSWARE	1996	4,357	3,744	3,427	3,122	30	218	63	6	0
	2000	4,583	3,556	3,241	2,930	15	226	66	9	23
	2005	6,016	4,238	3,919	3,696	20	201	78	19	42
INTERIOR	1996	35,816	28,981	24,599	21,355	1,434	2,262	479	208	6
	2000	45,113	28,849	22,850	20,070	2,512	2,907	407	173	278
	2005	66,597	39,219	32,927	32,341	2,632	3,084	302	274	820
JEWELLERY	1996	16,355	12,259	10,205	8,504	135	1,259	94	566	0
	2000	21,962	13,185	10,129	8,590	274	2,144	211	427	14
	2005	38,612	20,187	14,624	11,923	238	4,321	435	568	475
TOYS	1996	19,690	5,977	4,057	3,593	299	1,176	381	65	1
	2000	24,623	7,357	4,249	3,613	289	1,199	1,567	54	18
	2005	30,425	11,036	6,853	6,612	303	1,159	2,636	84	40
MUSIC (CDs, tapes)	**1996**	**5,100**	**4,878**	**3,713**	**3,572**	**172**	**806**	**152**	**35**	**0**
	2000	**7,076**	**6,212**	**4,750**	**4,318**	**225**	**991**	**156**	**90**	**22**
	2005	**14,924**	**13,449**	**11,198**	**10,945**	**376**	**1,491**	**297**	**88**	**63**
RECORDS	1996	5,011	4,790	3,654	3,515	172	779	151	34	8
	2000	7,000	6,138	4,704	4,274	224	966	155	88	26
	2005	14,805	13,333	11,120	10,869	375	1,455	296	87	88
PRINTED	1996	88	88	58	56	0	27	1	1	0
	2000	76	74	46	44	0	25	1	2	0
	2005	119	116	77	76	0	35	1	2	0
NEW MEDIA	**1996**	**6,804**	**5,938**	**2,018**	**1,644**	**122**	**2,240**	**1,493**	**64**	**0**
	2000	**6,936**	**5,563**	**2,724**	**2,465**	**96**	**1,344**	**1,288**	**111**	**2**
	2005	**12,035**	**6,476**	**3,966**	**3,940**	**171**	**1,805**	**235**	**300**	**50**
DIGITAL RECORDS	1996	2,629	2,444	714	425	61	1,545	101	24	0
	2000	2,475	2,005	1,197	1,028	46	652	72	38	1
	2005	2,282	2,046	1,508	1,494	7	465	50	16	6
VIDEO GAMES	1996	4,176	3,494	1,304	1,219	61	696	1,392	40	0
	2000	4,461	3,558	1,527	1,437	50	692	1,216	74	1
	2005	9,752	4,430	2,458	2,447	164	1,340	185	284	44

TABLE
1.2.A

Developing economies (1)										Origin	
			Asia								
Total	Africa	America	Total	Eastern, Southern and Southeastern Asia	China	Western Asia	Oceania	LDCs	SIDS	Year	Product group
					(In millions of $)						
55,997	33	3,491	52,469	50,706	18,428	1,763	4	20	-	1996	All Creative Industries
89,827	973	6,769	82,063	79,316	28,474	2,747	22	648	133	2000	
136,231	1,775	8,641	125,786	119,839	61,360	5,947	29	211	153	2005	
7,690	8	421	7,261	6,713	2,460	548	0	9	-	1996	ARTS AND CRAFTS
10,756	129	727	9,891	9,310	3,012	581	8	190	32	2000	
13,881	296	624	12,959	11,832	5,602	1,127	2	54	25	2005	
1,117	0	9	1,108	820	334	288	0	0	-	1996	CARPETS
1,947	13	21	1,914	1,669	297	245	0	146	1	2000	
2,452	37	21	2,394	2,078	378	316	0	0	4	2005	
2,158	0	65	2,094	2,092	601	1	-	0	-	1996	CELEBRATION
2,936	3	66	2,868	2,867	947	1	0	0	2	2000	
2,234	2	73	2,159	2,157	1,221	2	0	0	1	2005	
17	-	0	17	17	12	0	-	-	-	1996	PAPERWARE
40	0	0	40	40	13	0	0	0	0	2000	
32	0	0	32	28	3	4	0	0	0	2005	
916	2	3	911	911	629	0	0	2	-	1996	WICKERWARE
906	11	5	890	890	565	0	0	7	0	2000	
1,374	18	6	1,351	1,349	1,125	2	0	9	0	2005	
929	2	156	772	675	308	97	-	3	-	1996	YARN
1,352	19	187	1,139	974	337	165	7	12	8	2000	
3,048	15	110	2,923	2,446	1,438	477	0	2	0	2005	
2,552	4	189	2,359	2,197	576	162	0	4	-	1996	OTHER
3,575	85	449	3,040	2,870	852	169	1	24	21	2000	
4,741	224	414	4,101	3,775	1,438	326	2	43	19	2005	
129	0	7	122	122	7	0	0	0	-	1996	AUDIOVISUALS
88	1	20	67	66	2	1	0	0	1	2000	
55	1	16	38	37	0	1	0	0	0	2005	
129	0	7	122	122	7	0	0	0	-	1996	FILM
88	1	20	67	66	2	1	0	0	1	2000	
55	1	16	38	37	0	1	0	0	0	2005	
42,914	20	2,222	40,671	39,509	14,447	1,162	2	7	-	1996	DESIGN
67,613	485	4,531	62,585	60,546	22,440	2,039	12	97	78	2000	
102,413	826	6,280	95,288	90,614	47,078	4,674	19	94	88	2005	
1,023	0	211	812	582	214	229	-	0	-	1996	GRAPHIC
1,780	39	624	1,117	770	246	347	0	0	1	2000	
4,954	63	1,397	3,494	2,485	1,865	1,008	0	3	3	2005	
16,641	16	432	16,193	15,739	6,222	454	0	3	-	1996	FASHION
22,832	128	665	22,038	21,567	8,937	471	1	85	19	2000	
31,864	331	543	30,989	30,374	17,524	616	1	70	19	2005	
614	0	103	511	357	96	154	-	0	-	1996	GLASSWARE
1,004	6	131	867	640	195	227	0	0	0	2000	
1,737	6	146	1,585	1,266	854	319	0	0	1	2005	
6,828	2	813	6,013	5,810	2,687	203	0	2	-	1996	INTERIOR
15,986	209	2,077	13,695	13,211	5,283	484	5	6	17	2000	
26,558	253	2,795	23,508	22,263	14,525	1,245	2	17	11	2005	
4,096	1	193	3,901	3,785	1,010	116	2	1	-	1996	JEWELLERY
8,763	89	581	8,087	7,591	1,790	497	6	4	35	2000	
17,951	149	1,006	16,780	15,317	2,819	1,463	16	3	51	2005	
13,712	0	471	13,241	13,235	4,216	5	0	1	-	1996	TOYS
17,248	14	453	16,781	16,768	5,988	13	0	1	6	2000	
19,350	25	393	18,932	18,909	9,490	23	0	0	3	2005	
222	0	82	140	128	5	12	0	0	-	1996	MUSIC (CDs, tapes)
841	8	151	683	666	58	17	0	2	0	2000	
1,412	7	336	1,069	1,049	135	20	0	0	2	2005	
221	0	81	139	128	5	12	0	0	-	1996	RECORDS
840	8	150	682	665	58	17	0	2	0	2000	
1,409	7	336	1,065	1,046	135	20	0	0	2	2005	
1	-	1	0	0	0	0	-	-	-	1996	PRINTED
1	0	0	1	1	0	0	-	0	0	2000	
4	0	0	3	3	0	0	-	0	0	2005	
866	0	92	774	773	233	1	0	0	-	1996	NEW MEDIA
1,371	5	59	1,307	1,305	343	2	0	0	0	2000	
5,508	8	77	5,423	5,413	3,940	10	0	0	1	2005	
185	0	5	180	179	30	1	-	0	-	1996	DIGITAL RECORDS
469	2	8	459	458	16	1	0	0	0	2000	
230	4	1	225	216	24	9	0	0	1	2005	
682	0	88	594	594	203	0	0	0	-	1996	VIDEO GAMES
902	3	51	848	847	328	1	0	0	0	2000	
5,278	4	76	5,198	5,197	3,916	0	0	0	0	2005	

TABLE
1.2.A

CONTINUED

Origin		Developed economies (1)								
Product group	Year	World	Total	Europe		Canada	United States	Japan	Other developed economies	Economies in transition (2)
				Total	EU-27					
		(In millions of $)								
PUBLISHING	**1996**	**32,180**	**30,483**	**18,378**	**16,707**	**6,434**	**4,802**	**410**	**458**	**3**
	2000	**33,378**	**28,120**	**16,549**	**14,916**	**5,937**	**4,946**	**450**	**239**	**822**
	2005	**44,304**	**36,642**	**24,231**	**23,463**	**5,965**	**5,496**	**650**	**301**	**1,096**
BOOKS	1996	8,739	7,846	5,485	4,948	213	1,865	169	113	0
	2000	9,835	7,636	5,150	4,689	275	2,007	127	75	250
	2005	12,881	9,713	7,079	6,874	369	2,033	89	142	203
NEWSPAPERS	1996	14,670	14,437	6,857	6,507	5,783	1,525	65	206	0
	2000	13,253	11,859	5,381	5,071	4,888	1,434	113	44	483
	2005	15,324	13,654	7,351	7,154	4,534	1,570	150	50	709
OTHER	1996	8,772	8,199	6,036	5,252	437	1,412	175	139	2
	2000	10,290	8,625	6,018	5,156	773	1,505	210	120	89
	2005	16,099	13,275	9,800	9,435	1,062	1,892	411	109	184
VISUAL ARTS	**1996**	**10,331**	**7,850**	**5,702**	**4,833**	**129**	**1,820**	**141**	**58**	**0**
	2000	**16,501**	**11,759**	**7,494**	**6,340**	**299**	**3,611**	**267**	**87**	**20**
	2005	**22,149**	**15,683**	**9,932**	**9,125**	**512**	**4,523**	**598**	**119**	**71**
PAINTING	1996	410	192	173	159	4	13	0	2	0
	2000	810	222	191	163	7	21	0	2	4
	2005	955	265	226	224	7	29	0	2	22
PHOTOGRAPHY	1996	725	521	377	331	7	64	72	3	0
	2000	899	564	308	269	5	88	162	2	1
	2005	1,494	980	342	336	8	110	519	2	1
SCULPTURE	1996	3,618	1,706	1,473	1,351	36	152	39	7	0
	2000	5,180	1,618	1,392	1,227	32	153	35	7	19
	2005	6,078	1,836	1,586	1,573	45	167	23	15	57
ANTIQUES	1996	1,291	1,227	1,008	873	18	187	8	7	0
	2000	2,054	1,956	1,467	1,348	21	430	23	15	0
	2005	2,536	2,352	1,972	1,830	17	338	12	12	0
OTHER	1996	4,286	4,203	2,671	2,119	65	1,404	22	40	0
	2000	7,557	7,399	4,137	3,332	233	2,920	48	61	0
	2005	11,087	10,251	5,805	5,162	435	3,878	44	88	0

SOURCE: UNCTAD secretariat calculations based on United Nations Comtrade database data.

NOTES: (1) Developed economies, including Bulgaria and Romania.

(2) Excluding Bulgaria and Romania, which are included in the European Union (EU-27).

TABLE
1.2.A

Developing economies (1)										Origin	
			Asia								
Total	Africa	America	Total	Eastern, Southern and Southeastern Asia	China	Western Asia	Oceania	LDCs	SIDS	Year	Product group
(In millions of $)											
1,695	4	457	1,233	1,214	197	19	0	2	-	1996	PUBLISHING
4,435	307	868	3,260	3,193	433	67	0	350	18	2000	
6,567	480	1,018	5,062	4,972	1,146	90	7	58	35	2005	
892	0	206	686	685	114	1	0	0	-	1996	BOOKS
1,949	27	315	1,607	1,570	311	37	0	3	10	2000	
2,965	44	389	2,531	2,504	680	27	1	2	14	2005	
232	2	79	151	146	5	5	-	0	-	1996	NEWSPAPERS
911	65	249	598	593	6	4	0	0	1	2000	
961	40	227	694	676	18	18	0	0	1	2005	
570	2	173	396	383	79	13	0	2	-	1996	OTHER
1,575	216	304	1,055	1,030	116	25	0	346	7	2000	
2,641	396	402	1,836	1,792	447	44	6	56	20	2005	
2,481	2	209	2,269	2,248	1,079	21	2	1	-	1996	VISUAL ARTS
4,722	38	414	4,270	4,229	2,186	40	1	8	3	2000	
6,395	157	289	5,948	5,922	3,459	26	1	4	2	2005	
218	0	71	146	146	39	0	-	0	-	1996	PAINTING
588	2	148	438	437	104	1	0	0	0	2000	
688	6	84	598	597	305	1	0	0	0	2005	
203	0	13	191	188	46	3	0	0	-	1996	PHOTOGRAPHY
334	1	11	322	319	74	3	0	0	0	2000	
514	1	8	505	500	139	5	0	0	0	2005	
1,912	2	114	1,797	1,779	979	18	0	1	-	1996	SCULPTURE
3,549	12	216	3,320	3,301	1,994	19	1	2	2	2000	
4,177	126	169	3,882	3,865	2,972	17	1	2	1	2005	
64	-	0	64	64	1	0	-	-	-	1996	ANTIQUES
98	0	1	96	86	1	10	-	0	0	2000	
183	1	1	181	180	2	1	0	0	0	2005	
84	0	11	71	70	14	1	2	0	-	1996	OTHER
153	21	37	94	86	13	8	0	6	1	2000	
833	24	27	782	780	40	2	0	2	1	2005	

SOURCE: UNCTAD secretariat calculations based on United Nations Comtrade database data.

NOTES: (1) Developed economies, including Bulgaria and Romania.
(2) Excluding Bulgaria and Romania, which are included in the European Union (EU-27).

TABLE

1.2.B CREATIVE GOODS: TOTAL WORLD IMPORTS, BY ORIGIN AND PRODUCT GROUP, 1996, 2000 AND 2005

Origin			Developed economies (1)							
				Europe						
Product group	Year	World	Total	Total	EU-27	Canada	United States	Japan	Other developed economies	Economies in transition (2)
		(In millions of $)								
All Creative Industries	**1996**	**190,492**	**163,356**	**88,930**	**80,230**	**6,191**	**48,227**	**14,965**	**5,043**	**63**
	2000	**242,685**	**194,994**	**93,892**	**85,079**	**8,272**	**72,958**	**14,350**	**5,522**	**1,576**
	2005	**350,884**	**284,147**	**150,575**	**137,957**	**12,094**	**95,021**	**18,592**	**7,865**	**5,978**
ARTS AND CRAFTS	**1996**	**15,679**	**12,687**	**7,215**	**6,423**	**437**	**3,590**	**1,147**	**299**	**8**
	2000	**18,963**	**14,764**	**7,077**	**6,263**	**616**	**5,836**	**915**	**320**	**141**
	2005	**25,091**	**20,280**	**10,388**	**9,859**	**828**	**7,598**	**979**	**487**	**421**
CARPETS	1996	3,523	3,389	2,324	2,058	49	569	358	89	1
	2000	3,492	3,168	1,732	1,537	69	1,050	243	75	18
	2005	4,033	3,588	1,859	1,740	89	1,327	235	77	70
CELEBRATION	1996	3,167	2,480	909	800	119	1,375	44	33	0
	2000	4,669	3,743	1,152	1,016	183	2,309	54	45	14
	2005	5,698	5,053	1,574	1,506	256	3,099	51	73	54
PAPERWARE	1996	67	53	23	22	0	6	23	0	1
	2000	92	64	37	35	1	8	18	0	0
	2005	118	100	79	78	1	3	17	1	1
WICKERWARE	1996	1,296	1,112	433	391	17	309	333	21	0
	2000	1,293	1,121	435	385	23	379	267	18	3
	2005	1,786	1,645	726	701	44	547	298	29	12
YARN	1996	1,975	1,695	1,198	1,066	57	242	148	49	2
	2000	2,450	1,900	1,279	1,128	68	362	120	70	22
	2005	3,884	3,189	2,048	1,955	94	775	127	145	60
OTHER	1996	5,651	3,958	2,326	2,087	194	1,089	241	108	7
	2000	6,967	4,767	2,442	2,163	272	1,729	213	111	107
	2005	9,572	6,705	4,102	3,880	344	1,847	251	161	275
AUDIOVISUALS	**1996**	**333**	**255**	**116**	**93**	**10**	**107**	**11**	**12**	**0**
	2000	**355**	**268**	**95**	**76**	**10**	**135**	**13**	**14**	**1**
	2005	**650**	**527**	**133**	**122**	**5**	**358**	**19**	**12**	**7**
FILM	1996	333	255	116	93	10	107	11	12	0
	2000	355	268	95	76	10	135	13	14	1
	2005	650	527	133	122	5	358	19	12	7
DESIGN	**1996**	**120,603**	**101,505**	**54,453**	**46,269**	**2,913**	**30,701**	**10,632**	**2,807**	**40**
	2000	**153,084**	**122,115**	**56,248**	**48,054**	**4,243**	**47,672**	**10,772**	**3,179**	**968**
	2005	**228,428**	**185,204**	**92,556**	**85,617**	**6,422**	**66,603**	**14,705**	**4,919**	**3,967**
GRAPHIC	1996	8,731	7,601	4,929	4,315	133	1,349	833	358	13
	2000	10,409	8,562	4,500	3,962	178	2,740	739	404	202
	2005	17,449	14,056	7,097	6,624	313	5,214	942	489	750
FASHION	1996	36,138	28,583	13,817	12,160	696	8,550	4,805	715	5
	2000	43,255	32,643	14,499	12,777	905	11,603	4,863	774	225
	2005	60,792	47,184	24,149	22,774	1,324	14,656	5,837	1,218	841
GLASSWARE	1996	3,772	3,418	2,103	1,766	130	796	236	154	2
	2000	4,280	3,517	1,970	1,680	194	1,018	190	145	36
	2005	5,524	4,463	2,857	2,619	229	1,006	216	156	168
INTERIOR	1996	34,711	31,445	19,712	16,571	1,105	7,610	2,231	787	18
	2000	45,402	38,585	19,793	16,735	1,671	13,772	2,350	998	401
	2005	70,345	61,075	32,540	30,045	2,688	21,388	2,945	1,515	1,615
JEWELLERY	1996	13,662	12,481	6,283	4,697	193	4,421	1,248	336	0
	2000	18,077	14,712	6,262	4,718	393	6,551	1,175	330	12
	2005	31,254	24,558	11,520	9,717	599	9,858	1,885	696	213
TOYS	1996	23,588	17,976	7,609	6,759	656	7,975	1,279	456	3
	2000	31,660	24,095	9,223	8,183	902	11,988	1,454	529	92
	2005	43,064	33,869	14,393	13,838	1,269	14,481	2,881	845	379
MUSIC (CDs, tapes)	**1996**	**4,851**	**4,444**	**3,068**	**2,562**	**236**	**399**	**587**	**154**	**0**
	2000	**9,080**	**7,591**	**5,516**	**4,020**	**469**	**913**	**409**	**283**	**24**
	2005	**16,419**	**13,835**	**10,952**	**9,872**	**742**	**1,244**	**492**	**405**	**171**
RECORDS	1996	4,761	4,359	3,011	2,513	227	394	578	149	3
	2000	8,995	7,515	5,469	3,979	457	906	404	279	33
	2005	16,312	13,738	10,890	9,816	730	1,233	486	399	269
PRINTED	1996	90	86	56	49	9	6	9	6	0
	2000	84	75	47	41	11	7	6	4	0
	2005	107	97	62	56	13	11	7	6	0
NEW MEDIA	**1996**	**6,250**	**5,684**	**2,589**	**2,257**	**393**	**2,182**	**236**	**284**	**2**
	2000	**8,726**	**6,913**	**3,318**	**2,939**	**448**	**2,595**	**238**	**313**	**12**
	2005	**13,402**	**10,750**	**5,777**	**5,617**	**845**	**3,183**	**581**	**364**	**187**
DIGITAL RECORDS	1996	1,218	1,050	502	375	132	173	67	176	1
	2000	2,171	1,234	823	717	37	141	41	193	2
	2005	2,436	1,866	1,597	1,575	54	84	18	114	10
VIDEO GAMES	1996	5,032	4,634	2,086	1,882	262	2,009	169	108	1
	2000	6,555	5,679	2,495	2,221	411	2,454	197	121	9
	2005	10,966	8,884	4,180	4,042	791	3,100	563	251	177

TABLE
1.2.B

Developing economies (1)											Origin
			Asia								
Total	Africa	America	Total	Eastern, Southern and Southeastern Asia	China	Western Asia	Oceania	LDCs	SIDS	Year	Product group
(In millions of $)											
27,074	211	3,377	23,431	22,691	2,331	741	55	111	-	1996	All Creative Industries
46,114	2,085	9,123	34,840	31,162	2,242	3,678	66	520	717	2000	
60,759	4,288	10,923	45,308	39,501	3,676	5,808	239	1,214	833	2005	
2,984	30	242	2,709	2,593	175	116	3	23	-	1996	ARTS AND CRAFTS
4,059	180	816	3,059	2,638	201	422	4	61	64	2000	
4,390	295	816	3,262	2,745	400	517	16	108	60	2005	
133	2	43	89	70	13	19	0	1	-	1996	CARPETS
306	18	64	224	90	9	134	0	2	14	2000	
375	37	55	282	95	10	187	1	8	8	2005	
686	0	40	645	643	4	2	1	0	-	1996	CELEBRATION
912	6	107	798	785	1	12	1	1	5	2000	
591	12	153	424	414	3	10	2	2	5	2005	
15	6	0	8	8	5	0	0	2	-	1996	PAPERWARE
27	4	1	21	13	3	8	0	3	1	2000	
18	2	1	15	8	2	6	0	2	0	2005	
184	1	6	177	174	3	3	0	1	-	1996	WICKERWARE
169	6	15	148	136	1	12	0	1	2	2000	
131	10	21	98	77	3	22	1	1	2	2005	
280	3	67	210	175	22	36	0	2	-	1996	YARN
538	40	248	249	161	19	88	1	15	6	2000	
657	68	212	374	276	55	98	3	20	6	2005	
1,687	19	86	1,580	1,524	128	56	2	16	-	1996	OTHER
2,107	105	381	1,619	1,452	167	168	2	39	37	2000	
2,619	165	375	2,070	1,875	327	194	10	76	39	2005	
78	0	5	73	72	1	1	0	0	-	1996	AUDIOVISUALS
85	3	14	67	62	2	5	0	0	1	2000	
116	4	15	96	84	2	13	1	0	2	2005	
78	0	5	73	72	1	1	0	0	-	1996	FILM
85	3	14	67	62	2	5	0	0	1	2000	
116	4	15	96	84	2	13	1	0	2	2005	
19,057	93	1,837	17,096	16,762	1,647	334	31	44	-	1996	DESIGN
30,001	1,000	5,146	23,820	21,454	1,155	2,366	36	228	479	2000	
39,257	2,150	6,239	30,719	26,725	1,642	3,994	150	438	526	2005	
1,117	33	107	974	948	243	26	3	15	-	1996	GRAPHIC
1,646	184	446	1,012	700	128	312	4	61	70	2000	
2,644	364	581	1,681	1,007	43	674	18	118	96	2005	
7,550	21	586	6,938	6,855	732	82	5	12	-	1996	FASHION
10,387	318	1,448	8,616	7,974	504	642	5	64	117	2000	
12,767	716	1,684	10,334	9,250	442	1,084	33	86	88	2005	
352	7	76	269	226	17	43	1	4	-	1996	GLASSWARE
727	60	183	482	377	34	104	1	16	17	2000	
892	101	195	592	467	50	125	4	22	14	2005	
3,248	26	577	2,635	2,507	249	128	10	11	-	1996	INTERIOR
6,416	277	1,730	4,395	3,623	321	772	13	75	155	2000	
7,655	661	1,982	4,958	3,860	567	1,098	54	190	164	2005	
1,180	1	104	1,067	1,046	79	21	8	0	-	1996	JEWELLERY
3,353	48	368	2,929	2,582	87	347	8	2	97	2000	
6,483	116	616	5,726	4,983	268	742	26	6	141	2005	
5,610	5	388	5,213	5,180	327	33	4	2	-	1996	TOYS
7,473	113	970	6,385	6,196	81	189	4	10	22	2000	
8,816	192	1,181	7,428	7,157	271	272	15	16	23	2005	
406	3	126	275	271	19	4	2	0	-	1996	MUSIC (CDs, tapes)
1,465	71	247	1,143	1,023	293	120	4	5	5	2000	
2,413	163	318	1,914	1,798	1,052	116	18	7	6	2005	
402	3	125	272	268	19	4	2	0	-	1996	RECORDS
1,456	71	246	1,135	1,015	293	120	4	5	5	2000	
2,404	163	316	1,907	1,791	1,052	116	18	7	6	2005	
4	0	1	3	3	0	0	0	0	-	1996	PRINTED
9	0	1	7	7	0	0	0	0	0	2000	
10	1	2	7	7	0	0	0	0	0	2005	
564	6	83	474	455	139	19	0	1	-	1996	NEW MEDIA
1,802	85	238	1,477	1,372	228	105	0	3	19	2000	
2,465	128	450	1,882	1,691	57	191	5	5	24	2005	
167	5	40	121	119	42	3	-	1	-	1996	DIGITAL RECORDS
935	40	72	823	744	169	78	0	1	15	2000	
560	47	37	475	314	9	160	2	2	16	2005	
398	1	43	353	337	97	16	0	0	-	1996	VIDEO GAMES
867	45	167	655	628	59	27	0	2	3	2000	
1,905	82	413	1,407	1,376	49	31	3	3	8	2005	

TABLE
1.2.B

CONTINUED

Origin		Developed economies (1)								
				Europe						
Product group	Year	World	Total	Total	EU-27	Canada	United States	Japan	Other developed economies	Economies in transition (2)
		(In millions of $)								
PUBLISHING	1996	31,242	28,258	16,640	13,791	2,024	6,852	1,489	1,252	11
	2000	34,366	27,151	14,960	12,435	2,223	7,580	1,245	1,143	400
	2005	45,783	34,924	21,486	19,245	2,839	8,134	1,112	1,354	1,124
BOOKS	1996	8,490	7,665	4,492	3,575	898	1,443	296	536	2
	2000	10,227	7,738	4,142	3,382	962	1,849	307	478	99
	2005	13,836	10,337	5,868	5,173	1,187	2,390	312	579	234
NEWSPAPERS	1996	14,834	13,378	7,000	6,054	650	4,457	737	534	4
	2000	14,866	12,060	5,911	5,060	741	4,265	638	505	185
	2005	17,081	13,466	7,889	7,291	1,005	3,621	380	571	518
OTHER	1996	7,919	7,215	5,148	4,162	475	952	457	183	6
	2000	9,273	7,354	4,907	3,994	520	1,466	300	161	116
	2005	14,866	11,122	7,728	6,781	647	2,122	420	204	373
VISUAL ARTS	1996	11,534	10,523	4,849	3,862	179	4,397	863	235	1
	2000	18,111	16,194	6,677	5,542	264	8,228	757	268	30
	2005	21,111	18,627	9,283	7,625	413	7,902	704	324	102
PAINTING	1996	519	461	169	141	12	215	49	17	0
	2000	757	658	219	182	27	353	44	15	2
	2005	963	871	322	302	40	445	49	15	8
PHOTOGRAPHY	1996	789	588	325	275	23	173	44	23	0
	2000	1,116	714	317	276	26	311	28	33	2
	2005	1,674	852	403	386	22	332	66	30	8
SCULPTURE	1996	4,122	3,524	1,865	1,661	75	1,253	241	91	1
	2000	5,291	4,267	2,081	1,859	118	1,724	238	107	20
	2005	5,691	4,828	2,511	2,362	142	1,718	320	137	81
ANTIQUES	1996	1,659	1,617	554	457	17	897	102	46	0
	2000	2,726	2,531	784	649	30	1,648	35	34	0
	2005	2,617	2,448	839	751	21	1,506	51	31	0
OTHER	1996	4,446	4,331	1,936	1,327	51	1,859	428	58	0
	2000	8,221	8,024	3,277	2,577	64	4,192	412	79	6
	2005	10,166	9,628	5,209	3,824	188	3,900	219	112	6

SOURCE: UNCTAD secretariat calculations based on United Nations Comtrade database data.

NOTES: (1) Developed economies, including Bulgaria and Romania.
(2) Excluding Bulgaria and Romania, which are included in the European Union (EU-27).

TABLE
1.2.B

Developing economies (1)										Origin	
			Asia								
Total	Africa	America	Total	Eastern, Southern and Southeastern Asia	China	Western Asia	Oceania	LDCs	SIDS	Year	Product group
(In millions of $)											
2,973	76	1,002	1,883	1,636	327	247	13	43	-	1996	PUBLISHING
6,815	678	2,461	3,664	3,198	342	467	12	213	134	2000	
9,735	1,466	2,804	5,424	4,552	488	871	41	649	200	2005	
823	26	378	413	392	38	21	6	15	-	1996	BOOKS
2,390	265	954	1,166	1,074	55	93	5	48	71	2000	
3,266	436	1,098	1,711	1,596	72	115	21	102	120	2005	
1,452	27	326	1,095	910	212	185	4	9	-	1996	NEWSPAPERS
2,621	121	924	1,573	1,287	158	286	4	37	34	2000	
3,098	158	854	2,073	1,609	192	464	13	42	38	2005	
698	23	298	375	334	78	41	2	18	-	1996	OTHER
1,803	292	583	926	837	129	88	3	128	28	2000	
3,372	873	853	1,640	1,347	224	293	7	505	43	2005	
1,011	2	82	922	901	22	21	5	1	-	1996	VISUAL ARTS
1,887	67	201	1,610	1,417	20	193	10	10	17	2000	
2,382	81	281	2,012	1,906	35	105	9	8	14	2005	
57	0	2	55	54	1	1	0	0	-	1996	PAINTING
98	2	7	88	74	1	14	0	0	1	2000	
85	4	8	73	66	0	7	0	1	1	2005	
201	0	13	187	186	5	1	0	0	-	1996	PHOTOGRAPHY
400	4	22	374	367	5	7	0	1	2	2000	
815	6	13	796	791	6	6	0	2	2	2005	
597	2	48	544	528	14	17	4	1	-	1996	SCULPTURE
1,006	21	145	832	781	14	51	8	2	10	2000	
795	38	172	580	505	25	75	6	4	9	2005	
42	0	2	40	39	0	1	0	0	-	1996	ANTIQUES
195	4	5	186	84	0	102	0	0	1	2000	
168	6	2	160	156	2	4	0	0	0	2005	
114	0	17	95	94	2	1	1	0	-	1996	OTHER
188	36	21	130	112	0	18	1	6	3	2000	
519	28	86	403	389	2	14	2	1	2	2005	

SOURCE: UNCTAD secretariat calculations based on United Nations Comtrade database data.

NOTES: (1) Developed economies, including Bulgaria and Romania.
(2) Excluding Bulgaria and Romania, which are included in the European Union (EU-27).

TABLE

1.3.1.A CREATIVE GOODS: TOTAL WORLD EXPORTS, BY PRODUCT GROUP, 1996, 2000 AND 2005

	1996			2000			2005			Growth rate (%)	
Product group	Value (in millions of $)	As % of total world exports of all creative goods	As % of total world exports of the creative good	Value (in millions of $)	As % of total world exports of all creative goods	As % of total world exports of the creative good	Value (in millions of $)	As % of total world exports of all creative goods	As % of total world exports of the creative good	1996-2005	2000-2005
ALL CREATIVE INDUSTRIES	**189,214**	**100.00**	**100.00**	**228,695**	**100.00**	**100.00**	**335,494**	**100.00**	**100.00**	**6.0**	**8.7**
ARTS AND CRAFTS	**14,738**	**7.79**	**100.00**	**17,707**	**7.74**	**100.00**	**23,244**	**6.93**	**100.00**	**4.3**	**6.5**
CARPETS	2,869	1.52	100.00	3,459	1.51	100.00	4,071	1.21	100.00	1.3	4.8
CELEBRATION	2,711	1.43	100.00	3,569	1.56	100.00	3,118	0.93	100.00	1.7	-2.0
PAPERWARE	49	0.03	100.00	87	0.04	100.00	62	0.02	100.00	4.9	-4.9
WICKERWARE	1,065	0.56	100.00	1,055	0.46	100.00	1,640	0.49	100.00	6.8	10.5
YARN	2,193	1.16	100.00	2,784	1.22	100.00	4,808	1.43	100.00	8.0	12.3
OTHER	5,851	3.09	100.00	6,754	2.95	100.00	9,546	2.85	100.00	5.0	8.1
AUDIOVISUALS	**355**	**0.19**	**100.00**	**374**	**0.16**	**100.00**	**664**	**0.20**	**100.00**	**7.6**	**14.4**
FILM	355	0.19	100.00	374	0.16	100.00	664	0.20	100.00	7.6	14.4
DESIGN	**119,706**	**63.26**	**100.00**	**146,725**	**64.16**	**100.00**	**218,173**	**65.03**	**100.00**	**6.3**	**9.1**
GRAPHIC	9,617	5.08	100.00	10,069	4.40	100.00	16,422	4.89	100.00	5.7	11.3
FASHION	33,871	17.90	100.00	40,374	17.65	100.00	60,100	17.91	100.00	6.4	9.0
GLASSWARE	4,357	2.30	100.00	4,583	2.00	100.00	6,016	1.79	100.00	3.5	7.0
INTERIOR	35,816	18.93	100.00	45,113	19.73	100.00	66,597	19.85	100.00	6.8	9.3
JEWELLERY	16,355	8.64	100.00	21,962	9.60	100.00	38,612	11.51	100.00	8.9	12.8
TOYS	19,690	10.41	100.00	24,623	10.77	100.00	30,425	9.07	100.00	3.3	4.8
MUSIC (CDs, tapes)	**5,100**	**2.70**	**100.00**	**7,076**	**3.09**	**100.00**	**14,924**	**4.45**	**100.00**	**13.5**	**17.0**
PRINTED	88	0.05	100.00	76	0.03	100.00	119	0.04	100.00	3.2	10.0
RECORDS	5,011	2.65	100.00	7,000	3.06	100.00	14,805	4.41	100.00	13.6	17.1
NEW MEDIA	**6,804**	**3.60**	**100.00**	**6,936**	**3.03**	**100.00**	**12,035**	**3.59**	**100.00**	**6.5**	**10.0**
DIGITAL RECORDS	2,629	1.39	100.00	2,475	1.08	100.00	2,282	0.68	100.00	1.1	-4.0
VIDEO GAMES	4,176	2.21	100.00	4,461	1.95	100.00	9,752	2.91	100.00	8.6	15.7
PUBLISHING	**32,180**	**17.01**	**100.00**	**33,378**	**14.59**	**100.00**	**44,304**	**13.21**	**100.00**	**3.4**	**6.3**
BOOKS	8,739	4.62	100.00	9,835	4.30	100.00	12,881	3.84	100.00	3.7	6.2
NEWSPAPERS	14,670	7.75	100.00	13,253	5.79	100.00	15,324	4.57	100.00	0.4	3.0
OTHER	8,772	4.64	100.00	10,290	4.50	100.00	16,099	4.80	100.00	7.1	10.0
VISUAL ARTS	**10,331**	**5.46**	**100.00**	**16,501**	**7.22**	**100.00**	**22,149**	**6.60**	**100.00**	**7.9**	**6.4**
ANTIQUES	1,291	0.68	100.00	2,054	0.90	100.00	2,536	0.76	100.00	5.7	5.0
PAINTING	410	0.22	100.00	810	0.35	100.00	955	0.28	100.00	10.1	4.1
PHOTOGRAPHY	725	0.38	100.00	899	0.39	100.00	1,494	0.45	100.00	9.3	11.5
SCULPTURE	3,618	1.91	100.00	5,180	2.27	100.00	6,078	1.81	100.00	5.4	4.2
OTHER	4,286	2.27	100.00	7,557	3.30	100.00	11,087	3.30	100.00	9.9	7.8

SOURCE: UNCTAD secretariat calculations based on United Nations Comtrade database data.

TABLE 1.3.1.B

CREATIVE GOODS: TOTAL WORLD IMPORTS, BY PRODUCT GROUP, 1996, 2000 AND 2005

	1996			2000			2005			Growth rate (%)	
Product group	Value (in millions of $)	As % of total world imports of all creative goods	As % of total world imports of the creative good	Value (in millions of $)	As % of total world imports of all creative goods	As % of total world imports of the creative good	Value (in millions of $)	As % of total world imports of all creative goods	As % of total world imports of the creative good	1996-2005	2000-2005
ALL CREATIVE INDUSTRIES	**190,492**	**100.00**	**100.00**	**242,685**	**100.00**	**100.00**	**350,884**	**100.00**	**100.00**	**6.5**	**8.3**
ARTS AND CRAFTS	**15,679**	**8.23**	**100.00**	**18,963**	**7.81**	**100.00**	**25,091**	**7.15**	**100.00**	**5.2**	**6.7**
CARPETS	3,523	1.85	100.00	3,492	1.44	100.00	4,033	1.15	100.00	0.7	3.7
CELEBRATION	3,167	1.66	100.00	4,669	1.92	100.00	5,698	1.62	100.00	6.6	4.7
PAPERWARE	67	0.04	100.00	92	0.04	100.00	118	0.03	100.00	8.5	10.9
WICKERWARE	1,296	0.68	100.00	1,293	0.53	100.00	1,786	0.51	100.00	4.8	7.3
YARN	1,975	1.04	100.00	2,450	1.01	100.00	3,884	1.11	100.00	7.2	10.9
OTHER	5,651	2.97	100.00	6,967	2.87	100.00	9,572	2.73	100.00	6.0	7.7
AUDIOVISUALS	**333**	**0.17**	**100.00**	**355**	**0.15**	**100.00**	**650**	**0.19**	**100.00**	**9.3**	**12.7**
FILM	333	0.17	100.00	355	0.15	100.00	650	0.19	100.00	9.3	12.7
DESIGN	**120,603**	**63.31**	**100.00**	**153,084**	**63.08**	**100.00**	**228,428**	**65.10**	**100.00**	**6.8**	**9.2**
GRAPHIC	8,731	4.58	100.00	10,409	4.29	100.00	17,449	4.97	100.00	7.3	11.8
FASHION	36,138	18.97	100.00	43,255	17.82	100.00	60,792	17.33	100.00	5.7	7.6
GLASSWARE	3,772	1.98	100.00	4,280	1.76	100.00	5,524	1.57	100.00	4.0	6.7
INTERIOR	34,711	18.22	100.00	45,402	18.71	100.00	70,345	20.05	100.00	7.9	10.3
JEWELLERY	13,662	7.17	100.00	18,077	7.45	100.00	31,254	8.91	100.00	9.0	12.6
TOYS	23,588	12.38	100.00	31,660	13.05	100.00	43,064	12.27	100.00	5.7	7.1
MUSIC (CDs, tapes)	**4,851**	**2.55**	**100.00**	**9,080**	**3.74**	**100.00**	**16,419**	**4.68**	**100.00**	**15.5**	**13.4**
PRINTED	90	0.05	100.00	84	0.03	100.00	107	0.03	100.00	2.2	5.3
RECORDS	4,761	2.50	100.00	8,995	3.71	100.00	16,312	4.65	100.00	15.7	13.5
NEW MEDIA	**6,250**	**3.28**	**100.00**	**8,726**	**3.60**	**100.00**	**13,402**	**3.82**	**100.00**	**6.7**	**6.9**
DIGITAL RECORDS	1,218	0.64	100.00	2,171	0.89	100.00	2,436	0.69	100.00	9.3	3.8
VIDEO GAMES	5,032	2.64	100.00	6,555	2.70	100.00	10,966	3.13	100.00	6.2	7.7
PUBLISHING	**31,242**	**16.40**	**100.00**	**34,366**	**14.16**	**100.00**	**45,783**	**13.05**	**100.00**	**3.8**	**6.2**
BOOKS	8,490	4.46	100.00	10,227	4.21	100.00	13,836	3.94	100.00	4.7	6.7
NEWSPAPERS	14,834	7.79	100.00	14,866	6.13	100.00	17,081	4.87	100.00	1.1	2.9
OTHER	7,919	4.16	100.00	9,273	3.82	100.00	14,866	4.24	100.00	7.0	10.3
VISUAL ARTS	**11,534**	**6.05**	**100.00**	**18,111**	**7.46**	**100.00**	**21,111**	**6.02**	**100.00**	**5.6**	**3.1**
ANTIQUES	1,659	0.87	100.00	2,726	1.12	100.00	2,617	0.75	100.00	3.0	0.3
PAINTING	519	0.27	100.00	757	0.31	100.00	963	0.27	100.00	6.8	5.5
PHOTOGRAPHY	789	0.41	100.00	1,116	0.46	100.00	1,674	0.48	100.00	8.8	8.8
SCULPTURE	4,122	2.16	100.00	5,291	2.18	100.00	5,691	1.62	100.00	3.5	2.5
OTHER	4,446	2.33	100.00	8,221	3.39	100.00	10,166	2.90	100.00	7.4	3.2

SOURCE: UNCTAD secretariat calculations based on United Nations Comtrade database data.

TABLE

1.3.2.A CREATIVE GOODS: EXPORTS BY DEVELOPED ECONOMIES (1), BY PRODUCT GROUP, 1996, 2000 AND 2005

	1996			2000			2005			Growth rate (%)	
Product group	Value (in millions of $)	As % of total exports of creative goods by developed economies	As % of total world exports of the creative good	Value (in millions of $)	As % of total exports of creative goods by developed economies	As % of total world exports of the creative good	Value (in millions of $)	As % of total exports of creative goods by developed economies	As % of total world exports of the creative good	1996-2005	2000-2005
ALL CREATIVE INDUSTRIES	**133,195**	**100.00**	**70.39**	**137,378**	**100.00**	**60.07**	**196,109**	**100.00**	**58.45**	**4.2**	**7.8**
ARTS AND CRAFTS	**7,043**	**5.29**	**47.79**	**6,873**	**5.00**	**38.82**	**9,227**	**4.70**	**39.70**	**2.6**	**7.1**
CARPETS	1,751	1.31	60.89	1,479	1.08	42.34	1,588	0.81	38.74	-2.4	2.5
CELEBRATION	553	0.41	20.38	632	0.46	17.53	875	0.45	27.79	4.8	7.2
PAPERWARE	32	0.02	64.69	46	0.03	53.50	30	0.02	48.27	1.4	-6.0
WICKERWARE	149	0.11	14.02	146	0.11	13.39	259	0.13	15.59	7.6	14.5
YARN	1,262	0.95	57.20	1,428	1.04	50.18	1,752	0.89	35.18	2.8	5.0
OTHER	3,296	2.47	56.28	3,142	2.29	46.45	4,723	2.41	49.21	4.4	9.5
AUDIOVISUALS	**226**	**0.17**	**63.59**	**285**	**0.21**	**75.31**	**607**	**0.31**	**89.20**	**13.3**	**18.0**
FILM	226	0.17	63.59	285	0.21	75.31	607	0.31	89.20	13.3	18.0
DESIGN	**76,778**	**57.64**	**64.06**	**78,566**	**57.19**	**53.11**	**114,025**	**58.14**	**51.61**	**4.3**	**8.4**
GRAPHIC	8,594	6.45	89.18	8,192	5.96	81.21	11,270	5.75	68.43	3.3	7.9
FASHION	17,224	12.93	50.80	17,426	12.68	42.95	28,075	14.32	46.30	5.6	10.5
GLASSWARE	3,744	2.81	85.82	3,556	2.59	76.23	4,238	2.16	69.39	1.4	5.1
INTERIOR	28,981	21.76	80.81	28,849	21.00	62.98	39,219	20.00	57.41	3.1	7.2
JEWELLERY	12,259	9.20	74.95	13,185	9.60	60.04	20,187	10.29	52.27	5.5	8.8
TOYS	5,977	4.49	30.30	7,357	5.36	29.71	11,036	5.63	35.96	6.4	8.7
MUSIC (CDs, tapes)	**4,878**	**3.66**	**95.50**	**6,212**	**4.52**	**87.74**	**13,449**	**6.86**	**89.94**	**12.8**	**17.6**
PRINTED	88	0.07	99.05	74	0.05	98.21	116	0.06	96.89	3.1	9.9
RECORDS	4,790	3.60	95.43	6,138	4.47	87.63	13,333	6.80	89.89	12.9	17.7
NEW MEDIA	**5,938**	**4.46**	**87.25**	**5,563**	**4.05**	**80.20**	**6,476**	**3.30**	**53.77**	**-0.3**	**0.5**
DIGITAL RECORDS	2,444	1.83	92.95	2,005	1.46	81.00	2,046	1.04	89.64	1.2	-2.5
VIDEO GAMES	3,494	2.62	83.66	3,558	2.59	79.75	4,430	2.26	45.38	-0.5	2.1
PUBLISHING	**30,483**	**22.89**	**94.71**	**28,120**	**20.47**	**84.22**	**36,642**	**18.68**	**82.60**	**2.2**	**5.9**
BOOKS	7,846	5.89	89.78	7,636	5.56	77.62	9,713	4.95	75.36	2.1	5.7
NEWSPAPERS	14,437	10.84	98.40	11,859	8.63	89.43	13,654	6.96	88.94	-0.2	3.1
OTHER	8,199	6.16	93.45	8,625	6.28	83.80	13,275	6.77	82.35	5.7	9.5
VISUAL ARTS	**7,850**	**5.89**	**75.98**	**11,759**	**8.56**	**71.18**	**15,683**	**8.00**	**70.66**	**7.0**	**6.0**
ANTIQUES	1,227	0.92	95.04	1,956	1.42	95.21	2,352	1.20	92.77	5.5	4.5
PAINTING	192	0.14	46.90	222	0.16	26.96	265	0.13	25.70	2.7	2.7
PHOTOGRAPHY	521	0.39	71.92	564	0.41	62.69	980	0.50	65.52	9.1	13.2
SCULPTURE	1,706	1.28	47.14	1,618	1.18	31.05	1,836	0.94	30.02	0.7	3.7
OTHER	4,203	3.16	98.05	7,399	5.39	97.91	10,251	5.23	92.45	9.1	6.3

SOURCE: UNCTAD secretariat calculations based on United Nations Comtrade database data.
NOTE: (1) Developed economies, including Bulgaria and Romania.

TABLE 1.3.2.B

CREATIVE GOODS: IMPORTS BY DEVELOPED ECONOMIES (1), BY PRODUCT GROUP, 1996, 2000 AND 2005

	1996			2000			2005			Growth rate (%)	
Product group	Value (in millions of $)	As % of total imports of creative goods by developed economies	As % of total world imports of the creative good	Value (in millions of $)	As % of total imports of creative goods by developed economies	As % of total world imports of the creative good	Value (in millions of $)	As % of total imports of creative goods by developed economies	As % of total world imports of the creative good	1996-2005	2000-2005
ALL CREATIVE INDUSTRIES	**163,356**	**100.00**	**85.75**	**194,994**	**100.00**	**80.35**	**284,147**	**100.00**	**80.98**	**6.1**	**8.4**
ARTS AND CRAFTS	**12,687**	**7.77**	**80.87**	**14,764**	**7.57**	**77.62**	**20,280**	**7.14**	**80.40**	**5.2**	**7.6**
CARPETS	3,389	2.07	96.17	3,168	1.62	90.56	3,588	1.26	88.47	-0.1	3.4
CELEBRATION	2,480	1.52	78.31	3,743	1.92	80.13	5,053	1.78	88.54	8.4	6.9
PAPERWARE	53	0.03	77.03	64	0.03	69.72	100	0.04	83.83	9.3	16.5
WICKERWARE	1,112	0.68	85.82	1,121	0.58	86.68	1,645	0.58	91.98	5.9	8.7
YARN	1,695	1.04	85.69	1,900	0.97	77.12	3,189	1.12	81.50	6.7	11.9
OTHER	3,958	2.42	69.99	4,767	2.44	68.06	6,705	2.36	69.52	5.9	8.4
AUDIOVISUALS	**255**	**0.16**	**76.65**	**268**	**0.14**	**75.55**	**527**	**0.19**	**80.99**	**9.8**	**13.9**
FILM	255	0.16	76.65	268	0.14	75.55	527	0.19	80.99	9.8	13.9
DESIGN	**101,505**	**62.14**	**84.12**	**122,115**	**62.62**	**79.52**	**185,204**	**65.18**	**80.57**	**6.7**	**9.6**
GRAPHIC	7,601	4.65	86.99	8,562	4.39	81.79	14,056	4.95	79.15	6.6	11.3
FASHION	28,583	17.50	79.02	32,643	16.74	75.00	47,184	16.61	76.99	5.7	8.2
GLASSWARE	3,418	2.09	90.57	3,517	1.80	81.96	4,463	1.57	80.10	3.0	6.5
INTERIOR	31,445	19.25	90.56	38,585	19.79	84.78	61,075	21.49	86.28	7.6	10.8
JEWELLERY	12,481	7.64	91.36	14,712	7.54	81.38	24,558	8.64	78.55	7.9	11.6
TOYS	17,976	11.00	76.17	24,095	12.36	75.99	33,869	11.92	78.43	6.2	7.8
MUSIC (CDs, tapes)	**4,444**	**2.72**	**91.57**	**7,591**	**3.89**	**83.50**	**13,835**	**4.87**	**83.66**	**14.5**	**13.7**
PRINTED	86	0.05	95.40	75	0.04	89.21	97	0.03	90.69	1.3	6.1
RECORDS	4,359	2.67	91.50	7,515	3.85	83.45	13,738	4.83	83.62	14.7	13.7
NEW MEDIA	**5,684**	**3.48**	**90.93**	**6,913**	**3.54**	**79.19**	**10,750**	**3.78**	**79.97**	**5.1**	**6.1**
DIGITAL RECORDS	1,050	0.64	86.16	1,234	0.63	56.79	1,866	0.66	76.53	9.3	10.0
VIDEO GAMES	4,634	2.84	92.08	5,679	2.91	86.60	8,884	3.13	80.73	4.4	5.3
PUBLISHING	**28,258**	**17.30**	**90.34**	**27,151**	**13.92**	**78.80**	**34,924**	**12.29**	**75.88**	**2.4**	**5.6**
BOOKS	7,665	4.69	90.25	7,738	3.97	75.55	10,337	3.64	74.48	3.0	6.7
NEWSPAPERS	13,378	8.19	90.03	12,060	6.18	80.94	13,466	4.74	78.50	0.0	2.3
OTHER	7,215	4.42	91.02	7,354	3.77	78.95	11,122	3.91	74.17	5.3	9.3
VISUAL ARTS	**10,523**	**6.44**	**91.22**	**16,194**	**8.30**	**89.40**	**18,627**	**6.56**	**88.16**	**5.3**	**2.7**
ANTIQUES	1,617	0.99	97.47	2,531	1.30	92.83	2,448	0.86	93.55	2.7	0.3
PAINTING	461	0.28	88.94	658	0.34	86.89	871	0.31	90.38	6.9	6.4
PHOTOGRAPHY	588	0.36	74.54	714	0.37	63.98	852	0.30	50.82	4.7	4.3
SCULPTURE	3,524	2.16	85.48	4,267	2.19	80.60	4,828	1.70	84.59	3.5	3.6
OTHER	4,331	2.65	97.43	8,024	4.12	97.61	9,628	3.39	94.70	7.1	2.5

SOURCE: UNCTAD secretariat calculations based on United Nations Comtrade database data.
NOTE: (1) Developed economies, including Bulgaria and Romania.

TABLE

1.3.3.A CREATIVE GOODS: EXPORTS BY DEVELOPING ECONOMIES, BY PRODUCT GROUP, 1996, 2000 AND 2005

	1996			2000			2005			Growth rate (%)	
Product group	Value (in millions of $)	As % of total exports of creative goods by developing economies	As % of total world exports of the creative good	Value (in millions of $)	As % of total exports of creative goods by developing economies	As % of total world exports of the creative good	Value (in millions of $)	As % of total exports of creative goods by developing economies	As % of total world exports of the creative good	1996-2005	2000-2005
ALL CREATIVE INDUSTRIES	**55,997**	**100.00**	**29.59**	**89,827**	**100.00**	**39.28**	**136,231**	**100.00**	**40.61**	**9.0**	**9.7**
ARTS AND CRAFTS	**7,690**	**13.73**	**52.18**	**10,756**	**11.97**	**60.75**	**13,881**	**10.19**	**59.72**	**5.5**	**6.1**
CARPETS	1,117	1.99	38.94	1,947	2.17	56.30	2,452	1.80	60.24	5.0	6.7
CELEBRATION	2,158	3.85	79.62	2,936	3.27	82.27	2,234	1.64	71.65	0.8	-4.6
PAPERWARE	17	0.03	35.16	40	0.04	46.36	32	0.02	51.69	9.4	-3.6
WICKERWARE	916	1.64	85.97	906	1.01	85.85	1,374	1.01	83.82	6.8	9.8
YARN	929	1.66	42.38	1,352	1.51	48.57	3,048	2.24	63.38	13.0	18.4
OTHER	2,552	4.56	43.62	3,575	3.98	52.93	4,741	3.48	49.66	5.5	6.5
AUDIOVISUALS	**129**	**0.23**	**36.41**	**88**	**0.10**	**23.54**	**55**	**0.04**	**8.25**	**-13.6**	**-7.9**
FILM	129	0.23	36.41	88	0.10	23.54	55	0.04	8.25	-13.6	-7.9
DESIGN	**42,914**	**76.64**	**35.85**	**67,613**	**75.27**	**46.08**	**102,413**	**75.18**	**46.94**	**8.7**	**9.7**
GRAPHIC	1,023	1.83	10.63	1,780	1.98	17.67	4,954	3.64	30.17	16.0	23.1
FASHION	16,641	29.72	49.13	22,832	25.42	56.55	31,864	23.39	53.02	7.0	7.6
GLASSWARE	614	1.10	14.09	1,004	1.12	21.91	1,737	1.28	28.87	11.1	12.9
INTERIOR	6,828	12.19	19.07	15,986	17.80	35.44	26,558	19.49	39.88	14.9	12.0
JEWELLERY	4,096	7.31	25.04	8,763	9.75	39.90	17,951	13.18	46.49	14.6	17.6
TOYS	13,712	24.49	69.64	17,248	19.20	70.05	19,350	14.20	63.60	1.8	2.9
MUSIC (CDs, tapes)	**222**	**0.40**	**4.35**	**841**	**0.94**	**11.89**	**1,412**	**1.04**	**9.46**	**23.3**	**12.6**
PRINTED	1	0.00	0.95	1	0.00	1.77	4	0.00	3.01	12.5	12.2
RECORDS	221	0.39	4.41	840	0.94	12.00	1,409	1.03	9.51	23.3	12.6
NEW MEDIA	**866**	**1.55**	**12.73**	**1,371**	**1.53**	**19.77**	**5,508**	**4.04**	**45.77**	**28.5**	**33.5**
DIGITAL RECORDS	185	0.33	7.02	469	0.52	18.95	230	0.17	10.09	1.6	-13.1
VIDEO GAMES	682	1.22	16.33	902	1.00	20.22	5,278	3.87	54.12	35.3	44.3
PUBLISHING	**1,695**	**3.03**	**5.27**	**4,435**	**4.94**	**13.29**	**6,567**	**4.82**	**14.82**	**12.9**	**8.7**
BOOKS	892	1.59	10.21	1,949	2.17	19.82	2,965	2.18	23.02	11.0	9.0
NEWSPAPERS	232	0.41	1.58	911	1.01	6.87	961	0.71	6.27	8.1	0.2
OTHER	570	1.02	6.50	1,575	1.75	15.31	2,641	1.94	16.41	18.8	12.3
VISUAL ARTS	**2,481**	**4.43**	**24.02**	**4,722**	**5.26**	**28.62**	**6,395**	**4.69**	**28.87**	**10.2**	**7.3**
ANTIQUES	64	0.11	4.96	98	0.11	4.78	183	0.13	7.21	8.8	12.7
PAINTING	84	0.15	53.10	153	0.17	72.55	833	0.61	72.03	13.8	4.2
PHOTOGRAPHY	218	0.39	28.08	588	0.65	37.18	688	0.50	34.39	9.9	8.2
SCULPTURE	203	0.36	52.85	334	0.37	68.52	514	0.38	68.73	8.1	4.2
OTHER	1,912	3.41	1.95	3,549	3.95	2.02	4,177	3.07	7.52	29.4	49.2

SOURCE: UNCTAD secretariat calculations based on United Nations Comtrade database data.

TABLE 1.3.3.B

CREATIVE GOODS: IMPORTS BY DEVELOPING ECONOMIES, BY PRODUCT GROUP, 1996, 2000 AND 2005

Product group	1996			2000			2005			Growth rate (%)	
	Value (in millions of $)	As % of total imports of creative goods by developing economies	As % of total world imports of the creative good	Value (in millions of $)	As % of total imports of creative goods by developing economies	As % of total world imports of the creative good	Value (in millions of $)	As % of total imports of creative goods by developing economies	As % of total world imports of the creative good	1996-2005	2000-2005
ALL CREATIVE INDUSTRIES	**27,074**	**100.00**	**14.21**	**46,114**	**100.00**	**19.00**	**60,759**	**100.00**	**17.32**	**7.5**	**6.1**
ARTS AND CRAFTS	**2,984**	**11.02**	**19.03**	**4,059**	**8.80**	**21.40**	**4,390**	**7.23**	**17.50**	**4.1**	**2.2**
CARPETS	133	0.49	3.79	306	0.66	8.77	375	0.62	9.31	8.8	3.5
CELEBRATION	686	2.53	21.67	912	1.98	19.53	591	0.97	10.37	-2.3	-8.1
PAPERWARE	15	0.05	21.50	27	0.06	29.75	18	0.03	15.11	4.9	-7.9
WICKERWARE	184	0.68	14.16	169	0.37	13.10	131	0.22	7.32	-4.3	-5.3
YARN	280	1.03	14.18	538	1.17	21.95	657	1.08	16.90	9.0	5.9
OTHER	1,687	6.23	29.85	2,107	4.57	30.23	2,619	4.31	27.36	5.4	5.2
AUDIOVISUALS	**78**	**0.29**	**23.32**	**85**	**0.18**	**23.99**	**116**	**0.19**	**17.86**	**7.3**	**7.5**
FILM	78	0.29	23.32	85	0.18	23.99	116	0.19	17.86	7.3	7.5
DESIGN	**19,057**	**70.39**	**15.80**	**30,001**	**65.06**	**19.60**	**39,257**	**64.61**	**17.19**	**6.5**	**6.2**
GRAPHIC	1,117	4.13	12.79	1,646	3.57	15.81	2,644	4.35	15.15	7.3	9.7
FASHION	7,550	27.89	20.89	10,387	22.52	24.01	12,767	21.01	21.00	5.0	4.6
GLASSWARE	352	1.30	9.34	727	1.58	16.97	892	1.47	16.16	7.7	4.6
INTERIOR	3,248	12.00	9.36	6,416	13.91	14.13	7,655	12.60	10.88	7.8	4.0
JEWELLERY	1,180	4.36	8.64	3,353	7.27	18.55	6,483	10.67	20.74	15.6	16.1
TOYS	5,610	20.72	23.78	7,473	16.20	23.60	8,816	14.51	20.47	3.7	4.0
MUSIC (CDs, tapes)	**406**	**1.50**	**8.37**	**1,465**	**3.18**	**16.13**	**2,413**	**3.97**	**14.70**	**21.5**	**10.0**
PRINTED	4	0.02	4.58	9	0.02	10.73	10	0.02	9.10	11.7	0.0
RECORDS	402	1.49	8.45	1,456	3.16	16.18	2,404	3.96	14.73	21.5	10.1
NEW MEDIA	**564**	**2.08**	**9.03**	**1,802**	**3.91**	**20.65**	**2,465**	**4.06**	**18.39**	**15.3**	**8.7**
DIGITAL RECORDS	167	0.62	13.69	935	2.03	43.05	560	0.92	23.00	10.7	-8.3
VIDEO GAMES	398	1.47	7.90	867	1.88	13.23	1,905	3.13	17.37	18.0	21.3
PUBLISHING	**2,973**	**10.98**	**9.52**	**6,815**	**14.78**	**19.83**	**9,735**	**16.02**	**21.26**	**10.2**	**6.9**
BOOKS	823	3.04	9.69	2,390	5.18	23.37	3,266	5.37	23.60	11.9	6.0
NEWSPAPERS	1,452	5.36	9.79	2,621	5.68	17.63	3,098	5.10	18.13	5.3	3.3
OTHER	698	2.58	8.82	1,803	3.91	19.45	3,372	5.55	22.68	15.1	12.3
VISUAL ARTS	**1,011**	**3.73**	**8.77**	**1,887**	**4.09**	**10.42**	**2,382**	**3.92**	**11.28**	**8.2**	**5.2**
ANTIQUES	42	0.16	2.53	195	0.42	7.16	168	0.28	6.42	10.5	-0.2
PAINTING	57	0.21	11.04	98	0.21	12.89	85	0.14	8.81	4.7	-3.0
PHOTOGRAPHY	201	0.74	25.42	400	0.87	35.86	815	1.34	48.70	16.4	15.4
SCULPTURE	597	2.21	14.49	1,006	2.18	19.02	795	1.31	13.97	2.3	-4.1
OTHER	114	0.42	2.57	188	0.41	2.29	519	0.85	5.10	15.1	24.8

SOURCE: UNCTAD secretariat calculations based on United Nations Comtrade database data.

TABLE

1.3.4.A CREATIVE GOODS: EXPORTS BY ECONOMIES IN TRANSITION (1), BY PRODUCT GROUP, 1996, 2000 AND 2005

	1996			2000			2005			Growth rate (%)	
Product group	Value (in millions of $)	As % of total exports of creative goods by economies in transition	As % of total world exports of the creative good	Value (in millions of $)	As % of total exports of creative goods by economies in transition	As % of total world exports of the creative good	Value (in millions of $)	As % of total exports of creative goods by economies in transition	As % of total world exports of the creative good	1996-2005	2000-2005
ALL CREATIVE INDUSTRIES	**21**	**100.00**	**0.01**	**1,490**	**100.00**	**0.65**	**3,154**	**100.00**	**0.94**	**39.1**	**17.0**
ARTS AND CRAFTS	**5**	**23.02**	**0.03**	**78**	**4.33**	**0.44**	**137**	**7.74**	**0.59**	**29.8**	**12.2**
CARPETS	1	2.42	0.02	33	0.96	0.94	30	1.51	0.74	39.7	-0.3
CELEBRATION	0	0.00	0.00	1	0.29	0.02	9	1.56	0.29	24.2	53.5
PAPERWARE	0	0.09	0.04	0	0.00	0.13	0	0.04	0.01	-23.3	-60.9
WICKERWARE	0	0.52	0.01	4	0.21	0.34	7	0.46	0.41	21.1	14.5
YARN	1	6.49	0.06	4	0.25	0.14	8	1.22	0.17	20.2	11.4
OTHER	3	13.51	0.05	37	2.62	0.54	83	2.95	0.87	31.4	17.9
AUDIOVISUALS	**0**	**0.01**	**0.00**	**1**	**0.07**	**0.24**	**2**	**0.16**	**0.35**	**71.4**	**28.4**
FILM	0	0.01	0.00	1	0.07	0.24	2	0.16	0.35	71.4	28.4
DESIGN	**13**	**63.84**	**0.01**	**546**	**55.01**	**0.37**	**1,735**	**64.16**	**0.80**	**48.3**	**29.3**
GRAPHIC	0	2.24	0.00	98	6.27	0.97	198	4.40	1.20	55.4	15.3
FASHION	6	28.91	0.02	116	5.10	0.29	161	17.65	0.27	35.5	14.2
GLASSWARE	0	0.00	0.00	23	1.32	0.50	42	2.00	0.69	133.3	13.2
INTERIOR	6	29.39	0.02	278	26.00	0.62	820	19.73	1.23	46.6	25.7
JEWELLERY	0	0.74	0.00	14	15.06	0.06	475	9.60	1.23	103.1	119.7
TOYS	1	2.56	0.00	18	1.27	0.07	40	10.77	0.13	36.4	19.0
MUSIC (CDs, tapes)	**0**	**0.37**	**0.00**	**22**	**2.00**	**0.31**	**63**	**3.09**	**0.42**	**46.9**	**12.2**
PRINTED	0	0.00	0.00	0	0.00	0.01	0	0.03	0.10	66.2	48.5
RECORDS	0	0.37	0.00	22	2.00	0.31	63	3.06	0.43	46.9	12.1
NEW MEDIA	**0**	**0.12**	**0.00**	**2**	**1.58**	**0.02**	**50**	**3.03**	**0.41**	**74.6**	**105.8**
DIGITAL RECORDS	0	0.05	0.00	1	0.19	0.03	6	1.08	0.26	63.4	54.0
VIDEO GAMES	0	0.07	0.00	1	1.39	0.02	44	1.95	0.45	79.3	131.7
PUBLISHING	**3**	**12.30**	**0.01**	**822**	**34.74**	**2.46**	**1,096**	**14.59**	**2.47**	**39.9**	**5.2**
BOOKS	0	0.26	0.00	250	6.45	2.54	203	4.30	1.58	58.7	-4.5
NEWSPAPERS	0	2.14	0.00	483	22.46	3.64	709	5.79	4.62	53.0	6.7
OTHER	2	9.91	0.02	89	5.82	0.87	184	4.50	1.14	23.0	18.4
VISUAL ARTS	**0**	**0.34**	**0.00**	**20**	**2.27**	**0.12**	**71**	**7.22**	**0.32**	**55.1**	**23.5**
ANTIQUES	0	0.00	0.00	0	0.02	0.01	0	0.90	0.02	31.5	-15.1
PAINTING	0	0.00	0.00	0	0.08	0.06	2	0.35	0.25	42.5	51.3
PHOTOGRAPHY	0	0.04	0.00	0	0.02	0.05	0	0.39	0.03	9.9	11.2
SCULPTURE	0	0.20	0.00	13	2.06	0.25	65	2.27	1.07	59.3	35.0
OTHER	0	0.10	0.00	5	0.10	0.07	3	3.30	0.03	62.9	-12.7

SOURCE: UNCTAD secretariat calculations based on United Nations Comtrade database data.

NOTE: (1) Excluding Bulgaria and Romania, which are included in the European Union (EU-27).

TABLE 1.3.4.B

CREATIVE GOODS: IMPORTS BY ECONOMIES IN TRANSITION (1), BY PRODUCT GROUP, 1996, 2000 AND 2005

Product group	1996 Value (in millions of $)	1996 As % of total exports of creative goods by economies in transition	1996 As % of total world imports of the creative good	2000 Value (in millions of $)	2000 As % of total exports of creative goods by economies in transition	2000 As % of total world imports of the creative good	2005 Value (in millions of $)	2005 As % of total exports of creative goods by economies in transition	2005 As % of total world imports of the creative good	Growth rate (%) 1996-2005	Growth rate (%) 2000-2005
ALL CREATIVE INDUSTRIES	**63**	**100.00**	**0.03**	**1,576**	**100.00**	**0.65**	**5,978**	**100.00**	**1.70**	**39.7**	**29.9**
ARTS AND CRAFTS	**8**	**12.47**	**0.05**	**141**	**8.94**	**0.74**	**421**	**7.05**	**1.68**	**33.3**	**24.9**
CARPETS	1	1.55	0.03	18	1.13	0.51	70	1.17	1.74	32.4	29.2
CELEBRATION	0	0.49	0.01	14	0.91	0.31	54	0.90	0.95	42.0	32.5
PAPERWARE	0	0.05	0.05	0	0.02	0.38	0	0.01	0.26	4.4	-5.3
WICKERWARE	0	0.21	0.01	3	0.16	0.20	11	0.18	0.60	40.9	33.7
YARN	1	0.89	0.03	12	0.74	0.47	38	0.64	0.99	37.1	26.0
OTHER	6	9.28	0.10	94	5.98	1.35	248	4.15	2.59	32.8	22.1
AUDIOVISUALS	**0**	**0.02**	**0.00**	**1**	**0.08**	**0.37**	**7**	**0.12**	**1.06**	**70.4**	**37.9**
FILM	0	0.02	0.00	1	0.08	0.37	7	0.12	1.06	70.4	37.9
DESIGN	**40**	**64.56**	**0.03**	**968**	**61.42**	**0.63**	**3,967**	**66.35**	**1.74**	**40.8**	**31.4**
GRAPHIC	13	20.78	0.15	202	12.81	1.94	750	12.54	4.30	35.9	30.1
FASHION	5	7.35	0.01	225	14.26	0.52	841	14.07	1.38	47.9	26.7
GLASSWARE	2	3.20	0.05	36	2.30	0.85	168	2.82	3.05	38.0	33.9
INTERIOR	18	28.27	0.05	401	25.44	0.88	1,615	27.02	2.30	40.0	32.1
JEWELLERY	0	0.68	0.00	12	0.79	0.07	213	3.56	0.68	64.5	91.8
TOYS	3	4.29	0.01	92	5.81	0.29	379	6.35	0.88	41.0	30.4
MUSIC (CDs, tapes)	**0**	**0.28**	**0.00**	**24**	**1.54**	**0.27**	**171**	**2.86**	**1.04**	**72.0**	**52.7**
PRINTED	0	0.00	0.00	0	0.00	0.03	0	0.00	0.18	22.1	38.7
RECORDS	0	0.28	0.00	24	1.54	0.27	171	2.85	1.05	72.1	52.7
NEW MEDIA	**2**	**3.47**	**0.03**	**12**	**0.74**	**0.13**	**187**	**3.12**	**1.39**	**64.1**	**75.1**
DIGITAL RECORDS	1	2.22	0.11	2	0.15	0.11	10	0.16	0.39	24.7	57.0
VIDEO GAMES	1	1.25	0.02	9	0.59	0.14	177	2.96	1.61	81.5	77.9
PUBLISHING	**11**	**18.23**	**0.04**	**400**	**25.38**	**1.16**	**1,124**	**18.80**	**2.46**	**35.5**	**21.9**
BOOKS	2	2.51	0.02	99	6.27	0.97	234	3.91	1.69	36.4	16.9
NEWSPAPERS	4	6.75	0.03	185	11.73	1.24	518	8.66	3.03	36.5	21.1
OTHER	6	8.98	0.07	116	7.37	1.25	373	6.24	2.51	35.6	27.5
VISUAL ARTS	**1**	**0.97**	**0.01**	**30**	**1.90**	**0.17**	**102**	**1.71**	**0.48**	**51.5**	**30.0**
ANTIQUES	0	0.00	0.00	0	0.02	0.01	1	0.01	0.03	17.8	25.9
PAINTING	0	0.17	0.02	1	0.09	0.20	7	0.11	0.69	38.3	37.2
PHOTOGRAPHY	0	0.15	0.01	2	0.11	0.15	7	0.11	0.41	45.8	25.6
SCULPTURE	0	0.62	0.01	18	1.14	0.34	68	1.14	1.20	53.9	32.5
OTHER	0	0.02	0.00	9	0.54	0.10	20	0.33	0.19	67.2	28.6

SOURCE: UNCTAD secretariat calculations based on United Nations Comtrade database data.
NOTE: (1) Excluding Bulgaria and Romania, which are included in the European Union (EU-27).

TABLE

1.4.1.A CREATIVE GOODS: TOP 10 WORLD EXPORTERS, BY PRODUCT GROUP, 2005

Exporter	2005 Value (f.o.b. in millions of $)	2005 As % of country total	–	2005 As % of world total
ALL CREATIVE INDUSTRIES				
World	**335,494**	**100.00**	**-**	**100.00**
Developed economies (1)	**196,109**	**100.00**	**-**	**58.45**
Developing economies	**136,231**	**100.00**	**-**	**40.61**
Economies in transition (2)	**3,154**	**100.00**	**-**	**0.94**
China	61,360	100.00	-	18.29
Italy	28,008	100.00	-	8.35
China, SAR of Hong Kong	27,677	100.00	-	8.25
United States	25,544	100.00	-	7.61
Germany	24,763	100.00	-	7.38
United Kingdom	19,030	100.00	-	5.67
France	17,706	100.00	-	5.28
Canada	11,377	100.00	-	3.39
Belgium	9,343	100.00	-	2.78
Spain	9,138	100.00	-	2.72
Carpets				
World	**4,071**	**1.21**	**-**	**100.00**
Developed economies (1)	**1,577**	**0.81**	**-**	**38.74**
Developing economies	**2,452**	**1.80**	**-**	**60.24**
Economies in transition (2)	**30**	**1.51**	**-**	**0.74**
India	756	9.27	-	18.56
Belgium	673	7.20	-	16.53
Iran (Islamic Republic of)	599	63.54	-	14.72
China	378	0.62	-	9.27
Pakistan	287	18.13	-	7.04
Turkey	238	4.68	-	5.84
United Kingdom	147	0.77	-	3.61
Germany	127	0.51	-	3.13
United States	108	0.42	-	2.66
Saudi Arabia	72	18.19	-	1.77
Paperware				
World	**62**	**0.02**	**-**	**100.00**
Developed economies (1)	**30**	**0.02**	**-**	**48.27**
Developing economies	**32**	**0.02**	**-**	**51.69**
Economies in transition (2)	**0**	**0.00**	**-**	**0.01**
India	18	0.21	-	28.42
United States	11	0.04	-	18.28
France	6	0.04	-	10.36
China	3	0.01	-	5.35
China, Taiwan Province of	3	0.10	-	4.18
United Kingdom	2	0.01	-	4.02
Japan	2	0.04	-	3.36
Saudi Arabia	2	0.51	-	3.29
Italy	2	0.01	-	2.87
Netherlands	2	0.02	-	2.64
Yarn				
World	**4,808**	**1.43**	**-**	**100.00**
Developed economies (1)	**1,692**	**0.87**	**-**	**35.18**
Developing economies	**3,048**	**2.24**	**-**	**63.38**
Economies in transition (2)	**8**	**1.22**	**-**	**0.17**
China	1,438	2.34	-	29.90
Turkey	469	9.22	-	9.75
Pakistan	334	21.14	-	6.95
Republic of Korea	246	8.36	-	5.12
Italy	206	0.74	-	4.29
United States	204	0.80	-	4.25
France	201	1.14	-	4.18
Austria	149	3.04	-	3.09
Germany	135	0.55	-	2.82
Portugal	126	9.18	-	2.62
AUDIOVISUALS				
World	**664**	**0.20**	**-**	**100.00**
Developed economies (1)	**592**	**0.30**	**-**	**89.20**
Developing economies	**55**	**0.04**	**-**	**8.25**
Economies in transition (2)	**2**	**0.16**	**-**	**0.35**
Canada	318	2.79	-	47.86
Italy	160	0.57	-	24.07
United Kingdom	29	0.15	-	4.37
United States	28	0.11	-	4.25
France	21	0.12	-	3.23
India	16	0.20	-	2.46
Mexico	11	0.25	-	1.62
Republic of Korea	10	0.33	-	1.47
Australia	10	0.92	-	1.47
Romania	9	0.61	-	1.29

Exporter	2005 Value (f.o.b. in millions of $)	2005 As % of country total	–	2005 As % of world total
ARTS AND CRAFTS				
World	**23,244**	**6.93**	**-**	**100.00**
Developed economies (1)	**9,118**	**4.69**	**-**	**39.23**
Developing economies	**13,881**	**10.19**	**-**	**59.72**
Economies in transition (2)	**137**	**7.74**	**-**	**0.59**
China	5,602	9.13	-	24.10
China, SAR of Hong Kong	2,266	8.19	-	9.75
Belgium	1,381	14.79	-	5.94
India	1,063	13.04	-	4.57
Germany	1,048	4.23	-	4.51
United States	977	3.83	-	4.20
Turkey	951	18.72	-	4.09
Italy	748	2.67	-	3.22
United Kingdom	685	3.60	-	2.95
Pakistan	626	39.59	-	2.69
Celebration				
World	**3,118**	**0.93**	**-**	**100.00**
Developed economies (1)	**867**	**0.45**	**-**	**27.79**
Developing economies	**2,234**	**1.64**	**-**	**71.65**
Economies in transition (2)	**9**	**1.56**	**-**	**0.29**
China	1,221	1.99	-	39.14
China, SAR of Hong Kong	726	2.62	-	23.28
Netherlands	144	1.99	-	4.62
United States	127	0.50	-	4.06
Germany	116	0.47	-	3.72
Belgium	98	1.05	-	3.15
China, Taiwan Province of	73	2.77	-	2.33
United Kingdom	64	0.34	-	2.05
Thailand	58	1.33	-	1.85
Philippines	57	6.32	-	1.84
Wickerware				
World	**1,640**	**0.49**	**-**	**100.00**
Developed economies (1)	**256**	**0.13**	**-**	**15.59**
Developing economies	**1,374**	**1.01**	**-**	**83.82**
Economies in transition (2)	**7**	**0.46**	**-**	**0.41**
China	1,125	1.83	-	68.61
Philippines	95	10.53	-	5.81
Indonesia	61	2.15	-	3.71
Belgium	48	0.52	-	2.95
China, SAR of Hong Kong	40	0.14	-	2.41
Germany	38	0.15	-	2.29
United States	35	0.14	-	2.14
Netherlands	35	0.48	-	2.14
Poland	30	0.71	-	1.81
France	12	0.07	-	0.71
Other arts and crafts				
World	**9,546**	**2.85**	**-**	**100.00**
Developed economies (1)	**4,698**	**2.42**	**-**	**49.21**
Developing economies	**4,741**	**3.48**	**-**	**49.66**
Economies in transition (2)	**83**	**2.95**	**-**	**0.87**
China	1,438	2.34	-	15.06
China, SAR of Hong Kong	1,384	5.00	-	14.50
Germany	631	2.55	-	6.61
United States	492	1.92	-	5.15
Belgium	468	5.01	-	4.90
Italy	447	1.60	-	4.68
United Kingdom	420	2.21	-	4.40
Spain	356	3.90	-	3.73
Poland	302	7.16	-	3.16
Indonesia	281	9.92	-	2.94
Film				
World	**664**	**0.20**	**-**	**100.00**
Developed economies (1)	**592**	**0.30**	**-**	**89.20**
Developing economies	**55**	**0.04**	**-**	**8.25**
Economies in transition (2)	**2**	**0.16**	**-**	**0.35**
Canada	318	2.79	-	47.86
Italy	160	0.57	-	24.07
United Kingdom	29	0.15	-	4.37
United States	28	0.11	-	4.25
France	21	0.12	-	3.23
India	16	0.20	-	2.46
Mexico	11	0.25	-	1.62
Republic of Korea	10	0.33	-	1.47
Australia	10	0.92	-	1.47
Romania	9	0.61	-	1.29

TABLE

1.4.1.A

Exporter	Value (f.o.b. in millions of $)	2005 As % of country total	–	2005 As % of world total
DESIGN				
World	**218,173**	**65.03**	-	**100.00**
Developed economies (1)	**112,595**	**57.91**	-	**51.61**
Developing economies	**102,413**	**75.18**	-	**46.94**
Economies in transition (2)	**1,735**	**64.16**	-	**0.80**
China	47,078	76.72	-	21.58
Italy	24,801	88.55	-	11.37
China, SAR of Hong Kong	21,817	78.83	-	10.00
France	12,864	72.65	-	5.90
Germany	12,838	51.84	-	5.88
United States	11,224	43.94	-	5.14
Spain	6,747	73.83	-	3.09
United Kingdom	6,632	34.85	-	3.04
India	6,192	75.93	-	2.84
Belgium	5,499	58.86	-	2.52
Fashion				
World	**60,100**	**17.91**	-	**100.00**
Developed economies (1)	**27,825**	**14.31**	-	**46.30**
Developing economies	**31,864**	**23.39**	-	**53.02**
Economies in transition (2)	**161**	**17.65**	-	**0.27**
China	17,524	28.56	-	29.16
China, SAR of Hong Kong	7,845	28.34	-	13.05
Italy	7,277	25.98	-	12.11
France	7,217	40.76	-	12.01
Germany	2,767	11.17	-	4.60
United States	2,351	9.20	-	3.91
United Kingdom	1,586	8.33	-	2.64
India	1,523	18.67	-	2.53
Belgium	1,378	14.75	-	2.29
Spain	1,182	12.93	-	1.97
Interior				
World	**66,597**	**19.85**	-	**100.00**
Developed economies (1)	**38,235**	**19.66**	-	**57.41**
Developing economies	**26,558**	**19.49**	-	**39.88**
Economies in transition (2)	**820**	**19.73**	-	**1.23**
China	14,525	23.67	-	21.81
Germany	5,871	23.71	-	8.82
Italy	5,842	20.86	-	8.77
United States	3,084	12.07	-	4.63
Belgium	2,873	30.76	-	4.31
Canada	2,632	23.13	-	3.95
France	2,461	13.90	-	3.70
Poland	2,207	52.37	-	3.31
Denmark	1,929	55.93	-	2.90
Netherlands	1,795	24.76	-	2.70
Toys				
World	**30,425**	**9.07**	-	**100.00**
Developed economies (1)	**10,941**	**5.63**	-	**35.96**
Developing economies	**19,350**	**14.20**	-	**63.60**
Economies in transition (2)	**40**	**10.77**	-	**0.13**
China	9,490	15.47	-	31.19
China, SAR of Hong Kong	8,293	29.96	-	27.26
Japan	2,636	47.53	-	8.67
Germany	1,937	7.82	-	6.37
United States	1,159	4.54	-	3.81
France	620	3.50	-	2.04
Netherlands	613	8.45	-	2.01
Belgium	607	6.50	-	2.00
United Kingdom	589	3.09	-	1.94
Italy	502	1.79	-	1.65
Records				
World	**14,805**	**4.41**	-	**100.00**
Developed economies (1)	**13,308**	**6.84**	-	**89.89**
Developing economies	**1,409**	**1.03**	-	**9.51**
Economies in transition (2)	**63**	**3.06**	-	**0.43**
Germany	3,449	13.93	-	23.30
United Kingdom	1,575	8.27	-	10.64
United States	1,455	5.70	-	9.83
Austria	1,340	27.45	-	9.05
Netherlands	1,324	18.26	-	8.94
Ireland	801	35.22	-	5.41
France	639	3.61	-	4.32
Canada	375	3.30	-	2.54
Sweden	347	10.12	-	2.34
Belgium	312	3.34	-	2.11

Exporter	Value (f.o.b. in millions of $)	2005 As % of country total	–	2005 As % of world total
Graphic				
World	**16,422**	**4.89**	-	**100.00**
Developed economies (1)	**11,237**	**5.78**	-	**68.43**
Developing economies	**4,954**	**3.64**	-	**30.17**
Economies in transition (2)	**198**	**4.40**	-	**1.20**
Italy	5,699	20.35	-	34.70
Spain	3,247	35.53	-	19.77
China	1,865	3.04	-	11.36
Turkey	942	18.55	-	5.74
Brazil	852	38.87	-	5.19
Germany	516	2.08	-	3.14
Mexico	370	8.67	-	2.26
Portugal	365	26.61	-	2.22
France	224	1.27	-	1.37
Canada	157	1.38	-	0.96
Glassware				
World	**6,016**	**1.79**	-	**100.00**
Developed economies (1)	**4,175**	**2.15**	-	**69.39**
Developing economies	**1,737**	**1.28**	-	**28.87**
Economies in transition (2)	**42**	**2.00**	-	**0.69**
France	943	5.33	-	15.68
China	854	1.39	-	14.20
Germany	567	2.29	-	9.42
Italy	395	1.41	-	6.56
Czech Republic	341	12.35	-	5.66
Turkey	304	5.99	-	5.06
Poland	278	6.59	-	4.62
Switzerland	220	3.63	-	3.65
United States	201	0.79	-	3.35
Austria	166	3.41	-	2.76
Jewellery				
World	**38,612**	**11.51**	-	**100.00**
Developed economies (1)	**20,183**	**10.38**	-	**52.27**
Developing economies	**17,951**	**13.18**	-	**46.49**
Economies in transition (2)	**475**	**9.60**	-	**1.23**
Italy	5,087	18.16	-	13.17
United States	4,321	16.92	-	11.19
China, SAR of Hong Kong	4,275	15.45	-	11.07
India	3,821	46.86	-	9.90
China	2,819	4.59	-	7.30
Switzerland	2,694	44.51	-	6.98
United Kingdom	2,671	14.03	-	6.92
Thailand	1,809	41.86	-	4.69
France	1,398	7.90	-	3.62
Germany	1,180	4.76	-	3.06
MUSIC (CDS, TAPES, PRINTED)				
World	**14,924**	**4.45**	-	**100.00**
Developed economies (1)	**13,424**	**6.90**	-	**89.94**
Developing economies	**1,412**	**1.04**	-	**9.46**
Economies in transition (2)	**63**	**3.09**	-	**0.42**
Germany	3,481	14.06	-	23.32
United Kingdom	1,596	8.39	-	10.70
United States	1,491	5.84	-	9.99
Austria	1,347	27.58	-	9.02
Netherlands	1,325	18.28	-	8.88
Ireland	801	35.22	-	5.37
France	644	3.64	-	4.32
Canada	376	3.30	-	2.52
Sweden	347	10.12	-	2.32
Belgium	313	3.34	-	2.09
Printed				
World	**119**	**0.04**	-	**100.00**
Developed economies (1)	**116**	**0.06**	-	**96.89**
Developing economies	**4**	**0.00**	-	**3.01**
Economies in transition (2)	**0**	**0.00**	-	**0.10**
United States	35	0.14	-	29.47
Germany	32	0.13	-	26.53
United Kingdom	22	0.11	-	18.17
Italy	8	0.03	-	7.05
Austria	6	0.13	-	5.29
France	5	0.03	-	4.59
China, SAR of Hong Kong	3	0.01	-	2.43
Australia	2	0.16	-	1.44
Switzerland	1	0.02	-	1.12
Japan	1	0.02	-	0.93

TABLE

1.4.1.A CREATIVE GOODS: TOP 10 WORLD EXPORTERS, BY PRODUCT GROUP, 2005

CONTINUED

Exporter	2005 Value (f.o.b. in millions of $)	2005 As % of country total	–	2005 As % of world total
NEW MEDIA				
World	**12,035**	**3.59**	-	**100.00**
Developed economies (1)	**6,471**	**3.33**	-	**53.77**
Developing economies	**5,508**	**4.04**	-	**45.77**
Economies in transition (2)	**50**	**3.03**	-	**0.41**
China	3,940	6.42	-	32.74
United States	1,805	7.07	-	15.00
China, SAR of Hong Kong	1,020	3.68	-	8.47
Ireland	698	30.69	-	5.80
Germany	691	2.79	-	5.74
United Kingdom	600	3.15	-	4.98
Austria	579	11.86	-	4.81
Netherlands	330	4.55	-	2.74
Australia	290	27.55	-	2.41
Japan	235	4.23	-	1.95
Video games				
World	**9,752**	**2.91**	-	**100.00**
Developed economies (1)	**4,426**	**2.28**	-	**45.38**
Developing economies	**5,278**	**3.87**	-	**54.12**
Economies in transition (2)	**44**	**1.95**	-	**0.45**
China	3,916	6.38	-	40.15
United States	1,340	5.24	-	13.74
China, SAR of Hong Kong	1,020	3.68	-	10.46
Germany	540	2.18	-	5.54
Austria	510	10.45	-	5.23
United Kingdom	374	1.97	-	3.84
Australia	281	26.62	-	2.88
Netherlands	209	2.88	-	2.14
Japan	185	3.33	-	1.90
Spain	173	1.89	-	1.77
Books				
World	**12,881**	**3.84**	-	**100.00**
Developed economies (1)	**9,707**	**4.99**	-	**75.36**
Developing economies	**2,965**	**2.18**	-	**23.02**
Economies in transition (2)	**203**	**4.30**	-	**1.58**
United States	2,033	7.96	-	15.79
United Kingdom	2,017	10.60	-	15.66
Germany	1,297	5.24	-	10.07
China, SAR of Hong Kong	1,104	3.99	-	8.57
Spain	773	8.46	-	6.00
China	680	1.11	-	5.28
France	647	3.65	-	5.02
Italy	541	1.93	-	4.20
Singapore	442	14.43	-	3.43
Belgium	403	4.31	-	3.13
Other publishing				
World	**16,099**	**4.80**	-	**100.00**
Developed economies (1)	**13,257**	**6.82**	-	**82.35**
Developing economies	**2,641**	**1.94**	-	**16.41**
Economies in transition (2)	**184**	**4.50**	-	**1.14**
Germany	2,826	11.41	-	17.55
United States	1,892	7.41	-	11.75
United Kingdom	1,138	5.98	-	7.07
Canada	1,062	9.33	-	6.60
France	903	5.10	-	5.61
Italy	889	3.17	-	5.52
Belgium	798	8.54	-	4.96
Netherlands	595	8.21	-	3.70
Czech Republic	546	19.81	-	3.39
China	447	0.73	-	2.78
Painting				
World	**955**	**0.28**	-	**100.00**
Developed economies (1)	**245**	**0.13**	-	**25.70**
Developing economies	**688**	**0.50**	-	**72.03**
Economies in transition (2)	**2**	**0.35**	-	**0.25**
China	305	0.50	-	31.98
Thailand	94	2.17	-	9.83
Indonesia	83	2.92	-	8.66
Italy	65	0.23	-	6.76
China, SAR of Hong Kong	63	0.23	-	6.65
Mexico	57	1.35	-	6.02
Belgium	34	0.36	-	3.55
Malaysia	34	1.04	-	3.51
United States	29	0.11	-	3.06
Poland	24	0.57	-	2.53

Exporter	2005 Value (f.o.b. in millions of $)	2005 As % of country total	–	2005 As % of world total
Digital records				
World	**2,282**	**0.68**	-	**100.00**
Developed economies (1)	**2,046**	**1.05**	-	**89.64**
Developing economies	**230**	**0.17**	-	**10.09**
Economies in transition (2)	**6**	**0.13**	-	**0.27**
Ireland	670	29.47	-	29.37
United States	465	1.82	-	20.39
United Kingdom	225	1.18	-	9.87
Germany	151	0.61	-	6.61
Netherlands	122	1.68	-	5.32
Belgium	92	0.98	-	4.02
Republic of Korea	86	2.94	-	3.79
France	77	0.43	-	3.36
Austria	69	1.41	-	3.02
Japan	50	0.89	-	2.17
PUBLISHING				
World	**44,304**	**13.21**	-	**100.00**
Developed economies (1)	**36,593**	**18.82**	-	**82.60**
Developing economies	**6,567**	**4.82**	-	**14.82**
Economies in transition (2)	**1,096**	**14.59**	-	**2.47**
Canada	5,965	52.43	-	13.46
Germany	5,894	23.80	-	13.30
United States	5,496	21.51	-	12.40
United Kingdom	4,134	21.73	-	9.33
France	2,490	14.06	-	5.62
Italy	1,676	5.98	-	3.78
Belgium	1,552	16.61	-	3.50
China, SAR of Hong Kong	1,552	5.61	-	3.50
Spain	1,327	14.52	-	2.99
Sweden	1,225	35.75	-	2.77
Newspapers				
World	**15,324**	**4.57**	-	**100.00**
Developed economies (1)	**13,629**	**7.01**	-	**88.94**
Developing economies	**961**	**0.71**	-	**6.27**
Economies in transition (2)	**709**	**5.79**	-	**4.62**
Canada	4,534	39.85	-	29.59
Germany	1,771	7.15	-	11.56
United States	1,570	6.15	-	10.24
United Kingdom	979	5.15	-	6.39
Sweden	966	28.18	-	6.30
France	940	5.31	-	6.13
Russian Federation	635	38.49	-	4.14
Finland	394	37.76	-	2.57
Netherlands	376	5.19	-	2.45
Belgium	351	3.76	-	2.29
VISUAL ARTS				
World	**22,149**	**6.60**	-	**100.00**
Developed economies (1)	**15,651**	**8.05**	-	**70.66**
Developing economies	**6,395**	**4.69**	-	**28.87**
Economies in transition (2)	**71**	**7.22**	-	**0.32**
United Kingdom	5,354	28.13	-	24.17
United States	4,523	17.71	-	20.42
China	3,459	5.64	-	15.62
France	1,019	5.76	-	4.60
China, SAR of Hong Kong	839	3.03	-	3.79
Germany	803	3.24	-	3.62
Switzerland	785	12.97	-	3.54
Japan	598	10.78	-	2.70
Canada	512	4.50	-	2.31
India	503	6.17	-	2.27
Photography				
World	**1,494**	**0.45**	-	**100.00**
Developed economies (1)	**979**	**0.50**	-	**65.52**
Developing economies	**514**	**0.38**	-	**34.39**
Economies in transition (2)	**0**	**0.39**	-	**0.03**
Japan	519	9.36	-	34.74
China, SAR of Hong Kong	160	0.58	-	10.74
China	139	0.23	-	9.31
United States	110	0.43	-	7.36
China, Taiwan Province of	108	4.13	-	7.25
Germany	89	0.36	-	5.97
United Kingdom	89	0.47	-	5.94
Republic of Korea	54	1.85	-	3.64
France	45	0.26	-	3.02
Singapore	28	0.92	-	1.88

TABLE
1.4.1.A

Exporter	Value (f.o.b. in millions of $)	2005 As % of country total	–	2005 As % of world total	Exporter	Value (f.o.b. in millions of $)	2005 As % of country total	–	2005 As % of world total
Sculpture					***Antiques***				
World	**6,078**	**1.81**	-	**100.00**	**World**	**2,536**	**0.76**	-	**100.00**
Developed economies (1)	**1,825**	**0.94**	-	**30.02**	**Developed economies (1)**	**2,352**	**1.21**	-	**92.77**
Developing economies	**4,177**	**3.07**	-	**68.73**	**Developing economies**	**183**	**0.13**	-	**7.21**
Economies in transition (2)	**65**	**2.27**	-	**1.07**	**Economies in transition (2)**	**0**	**0.01**	-	**0.02**
China	2,972	4.84	-	48.90	United Kingdom	1,404	7.38	-	55.36
China, SAR of Hong Kong	406	1.47	-	6.68	United States	338	1.32	-	13.35
Belgium	265	2.83	-	4.35	France	246	1.39	-	9.70
Germany	232	0.94	-	3.82	China, SAR of Hong Kong	169	0.61	-	6.67
Italy	189	0.67	-	3.11	Switzerland	142	2.34	-	5.58
Spain	173	1.89	-	2.84	Germany	62	0.25	-	2.46
United States	167	0.65	-	2.74	Belgium	40	0.43	-	1.58
Netherlands	159	2.20	-	2.62	Netherlands	18	0.25	-	0.72
France	137	0.77	-	2.26	Canada	17	0.15	-	0.68
Mexico	124	2.90	-	2.04	Denmark	17	0.48	-	0.65
Other visual art									
World	**11,087**	**3.30**	-	**100.00**					
Developed economies (1)	**10,250**	**5.27**	-	**92.45**					
Developing economies	**833**	**0.61**	-	**7.52**					
Economies in transition (2)	**3**	**3.30**	-	**0.03**					
United States	3,878	15.18	-	34.98					
United Kingdom	3,757	19.74	-	33.89					
Switzerland	625	10.32	-	5.63					
France	580	3.28	-	5.24					
India	459	5.63	-	4.14					
Canada	435	3.82	-	3.92					
Germany	410	1.65	-	3.69					
Republic of Korea	173	5.87	-	1.56					
Italy	135	0.48	-	1.22					
Austria	67	1.37	-	0.61					

SOURCE: UNCTAD secretariat calculations based on United Nations Comtrade database data.

NOTES: (1) Developed economies, including Bulgaria and Romania.

(2) Excluding Bulgaria and Romania, which are included in the European Union (EU-27).

TABLE

1.4.1.B CREATIVE GOODS: TOP 10 WORLD IMPORTERS, BY PRODUCT GROUP, 2005

Importer	2005 Value (c.i.f. in millions of $)	2005 As % of country total	–	2005 As % of world total
ALL CREATIVE INDUSTRIES				
World	**350,884**	**100.00**	-	**100.00**
Developed economies (1)	**284,147**	**100.00**	-	**80.53**
Developing economies	**60,759**	**100.00**	-	**17.32**
Economies in transition (2)	**5,978**	**100.00**	-	**1.70**
United States	95,021	100.00	-	27.08
United Kingdom	28,212	100.00	-	8.04
Germany	24,418	100.00	-	6.96
China, SAR of Hong Kong	21,136	100.00	-	6.02
France	18,717	100.00	-	5.33
Japan	18,592	100.00	-	5.30
Canada	12,094	100.00	-	3.45
Italy	10,448	100.00	-	2.98
Switzerland	9,655	100.00	-	2.75
Spain	8,903	100.00	-	2.54
Carpets				
World	**4,033**	**1.15**	-	**100.00**
Developed economies (1)	**3,568**	**1.26**	-	**88.47**
Developing economies	**375**	**0.62**	-	**9.31**
Economies in transition (2)	**70**	**1.17**	-	**1.74**
United States	1,327	1.40	-	32.91
Germany	482	1.97	-	11.95
United Kingdom	289	1.03	-	7.17
Japan	235	1.26	-	5.83
Italy	164	1.57	-	4.08
France	149	0.80	-	3.70
Switzerland	83	0.86	-	2.07
Canada	89	0.74	-	2.22
Saudi Arabia	78	3.98	-	1.93
Spain	77	0.87	-	1.92
Paperware				
World	**118**	**0.03**	-	**100.00**
Developed economies (1)	**99**	**0.04**	-	**83.83**
Developing economies	**18**	**0.03**	-	**15.11**
Economies in transition (2)	**0**	**0.01**	-	**0.26**
France	55	0.29	-	46.26
Japan	17	0.09	-	14.05
Netherlands	5	0.07	-	4.60
United Kingdom	3	0.01	-	2.83
United States	3	0.00	-	2.60
Ireland	3	0.13	-	2.57
Republic of Korea	2	0.08	-	2.06
Oman	2	0.89	-	1.94
Belgium	2	0.03	-	1.92
Italy	2	0.02	-	1.72
Yarn				
World	**3,884**	**1.11**	-	**100.00**
Developed economies (1)	**3,166**	**1.12**	-	**81.50**
Developing economies	**657**	**1.08**	-	**16.90**
Economies in transition (2)	**38**	**0.64**	-	**0.99**
United States	775	0.82	-	19.95
Germany	349	1.43	-	8.99
France	335	1.79	-	8.61
United Kingdom	252	0.89	-	6.48
Italy	173	1.65	-	4.45
Spain	153	1.72	-	3.94
Mexico	150	3.24	-	3.85
Belgium	131	1.62	-	3.38
Japan	127	0.68	-	3.28
Australia	109	2.00	-	2.82
AUDIOVISUALS				
World	**650**	**0.19**	-	**100.00**
Developed economies (1)	**526**	**0.19**	-	**80.99**
Developing economies	**116**	**0.19**	-	**17.86**
Economies in transition (2)	**7**	**0.12**	-	**1.06**
United States	358	0.38	-	55.09
Republic of Korea	60	1.84	-	9.19
France	33	0.18	-	5.07
Spain	22	0.25	-	3.43
United Kingdom	21	0.07	-	3.21
Japan	19	0.10	-	2.90
Germany	14	0.06	-	2.16
Australia	9	0.16	-	1.38
Turkey	9	0.38	-	1.33
Austria	8	0.15	-	1.29

Importer	2005 Value (c.i.f. in millions of $)	2005 As % of country total	–	2005 As % of world total
ARTS AND CRAFTS				
World	**25,091**	**7.15**	-	**100.00**
Developed economies (1)	**20,174**	**7.14**	-	**80.40**
Developing economies	**4,390**	**7.23**	-	**17.50**
Economies in transition (2)	**421**	**7.05**	-	**1.68**
United States	7,598	8.00	-	30.28
Germany	1,911	7.83	-	7.62
China, SAR of Hong Kong	1,677	7.94	-	6.68
United Kingdom	1,589	5.63	-	6.33
France	1,226	6.55	-	4.89
Japan	979	5.27	-	3.90
Italy	917	8.78	-	3.65
Canada	828	6.84	-	3.30
Belgium	613	7.59	-	2.44
Spain	545	6.12	-	2.17
Celebration				
World	**5,698**	**1.62**	-	**100.00**
Developed economies (1)	**5,045**	**1.79**	-	**88.54**
Developing economies	**591**	**0.97**	-	**10.37**
Economies in transition (2)	**54**	**0.90**	-	**0.95**
United States	3,099	3.26	-	54.39
China, SAR of Hong Kong	372	1.76	-	6.53
United Kingdom	344	1.22	-	6.04
Canada	256	2.11	-	4.49
Germany	213	0.87	-	3.74
France	193	1.03	-	3.38
Italy	147	1.41	-	2.59
Belgium	122	1.51	-	2.13
Netherlands	92	1.26	-	1.62
Spain	73	0.83	-	1.29
Wickerware				
World	**1,786**	**0.51**	-	**100.00**
Developed economies (1)	**1,643**	**0.58**	-	**91.98**
Developing economies	**131**	**0.22**	-	**7.32**
Economies in transition (2)	**11**	**0.18**	-	**0.60**
Canada	44	0.36	-	2.45
United States	547	0.58	-	30.63
Japan	298	1.60	-	16.70
Germany	157	0.64	-	8.78
France	99	0.53	-	5.54
United Kingdom	89	0.31	-	4.97
Italy	68	0.65	-	3.78
Spain	65	0.73	-	3.64
Netherlands	51	0.70	-	2.88
Belgium	51	0.63	-	2.87
Other arts and crafts				
World	**9,572**	**2.73**	-	**100.00**
Developed economies (1)	**6,654**	**2.35**	-	**69.52**
Developing economies	**2,619**	**4.31**	-	**27.36**
Economies in transition (2)	**248**	**4.15**	-	**2.59**
United States	1,847	1.94	-	19.29
China, SAR of Hong Kong	1,169	5.53	-	12.21
Germany	709	2.91	-	7.41
United Kingdom	612	2.17	-	6.39
France	396	2.12	-	4.14
Italy	363	3.47	-	3.79
Canada	344	2.85	-	3.60
China	327	8.90	-	3.42
Japan	251	1.35	-	2.62
Belgium	239	2.96	-	2.50
Film				
World	**650**	**0.19**	-	**100.00**
Developed economies (1)	**526**	**0.19**	-	**80.99**
Developing economies	**116**	**0.19**	-	**17.86**
Economies in transition (2)	**7**	**0.12**	-	**1.06**
United States	358	0.38	-	55.09
Republic of Korea	60	1.84	-	9.19
France	33	0.18	-	5.07
Spain	22	0.25	-	3.43
United Kingdom	21	0.07	-	3.21
Japan	19	0.10	-	2.90
Germany	14	0.06	-	2.16
Australia	9	0.16	-	1.38
Turkey	9	0.38	-	1.33
Austria	8	0.15	-	1.29

TABLE

1.4.1.B

Importer	Value (c.i.f. in millions of $)	2005 As % of country total	–	2005 As % of world total
DESIGN				
World	**228,428**	**65.10**	-	**100.00**
Developed economies (1)	**184,052**	**65.14**	-	**80.57**
Developing economies	**39,257**	**64.61**	-	**17.19**
Economies in transition (2)	**3,967**	**66.35**	-	**1.74**
United States	66,603	70.09	-	29.16
United Kingdom	16,695	59.18	-	7.31
China, SAR of Hong Kong	16,315	77.19	-	7.14
Germany	15,059	61.67	-	6.59
Japan	14,705	79.09	-	6.44
France	12,527	66.93	-	5.48
Italy	6,713	64.25	-	2.94
Canada	6,422	53.10	-	2.81
Spain	5,956	66.90	-	2.61
Switzerland	5,219	54.06	-	2.28
Fashion				
World	**60,792**	**17.33**	-	**100.00**
Developed economies (1)	**46,802**	**16.56**	-	**76.99**
Developing economies	**12,767**	**21.01**	-	**21.00**
Economies in transition (2)	**841**	**14.07**	-	**1.38**
United States	14,656	15.42	-	24.11
China, SAR of Hong Kong	6,070	28.72	-	9.99
Japan	5,837	31.39	-	9.60
Germany	4,043	16.56	-	6.65
United Kingdom	3,591	12.73	-	5.91
France	3,262	17.43	-	5.37
Italy	2,726	26.09	-	4.48
Spain	2,114	23.75	-	3.48
Belgium	1,335	16.52	-	2.20
Canada	1,324	10.95	-	2.18
Interior				
World	**70,345**	**20.05**	-	**100.00**
Developed economies (1)	**60,693**	**21.48**	-	**86.28**
Developing economies	**7,655**	**12.60**	-	**10.88**
Economies in transition (2)	**1,615**	**27.02**	-	**2.30**
United States	21,388	22.51	-	30.40
United Kingdom	5,335	18.91	-	7.58
Germany	5,300	21.70	-	7.53
France	4,243	22.67	-	6.03
Japan	2,945	15.84	-	4.19
Canada	2,688	22.22	-	3.82
Netherlands	1,934	26.45	-	2.75
Spain	1,868	20.98	-	2.66
Belgium	1,855	22.97	-	2.64
Switzerland	1,601	16.58	-	2.28
Toys				
World	**43,064**	**12.27**	-	**100.00**
Developed economies (1)	**33,773**	**11.95**	-	**78.43**
Developing economies	**8,816**	**14.51**	-	**20.47**
Economies in transition (2)	**379**	**6.35**	-	**0.88**
United States	14,481	15.24	-	33.63
China, SAR of Hong Kong	6,004	28.40	-	13.94
Germany	2,932	12.01	-	6.81
Japan	2,881	15.50	-	6.69
United Kingdom	2,773	9.83	-	6.44
France	1,860	9.94	-	4.32
Canada	1,269	10.49	-	2.95
Italy	1,093	10.46	-	2.54
Spain	971	10.90	-	2.25
Belgium	847	10.48	-	1.97
Records				
World	**16,312**	**4.65**	-	**100.00**
Developed economies (1)	**13,639**	**4.83**	-	**83.62**
Developing economies	**2,404**	**3.96**	-	**14.73**
Economies in transition (2)	**171**	**2.85**	-	**1.05**
Germany	2,368	9.70	-	14.52
United Kingdom	1,672	5.93	-	10.25
United States	1,233	1.30	-	7.56
China	1,052	28.61	-	6.45
France	995	5.31	-	6.10
Canada	730	6.04	-	4.47
Switzerland	727	7.53	-	4.46
Italy	715	6.85	-	4.38
Belgium	653	8.08	-	4.00
Netherlands	615	8.42	-	3.77

Importer	Value (c.i.f. in millions of $)	2005 As % of country total	–	2005 As % of world total
Graphic				
World	**17,449**	**4.97**	-	**100.00**
Developed economies (1)	**13,810**	**4.89**	-	**79.15**
Developing economies	**2,644**	**4.35**	-	**15.15**
Economies in transition (2)	**750**	**12.54**	-	**4.30**
United States	5,214	5.49	-	29.88
France	1,415	7.56	-	8.11
Germany	1,087	4.45	-	6.23
Japan	942	5.07	-	5.40
United Kingdom	924	3.27	-	5.29
Belgium	396	4.90	-	2.27
Switzerland	359	3.72	-	2.06
Saudi Arabia	342	17.50	-	1.96
Canada	313	2.59	-	1.80
Australia	286	5.23	-	1.64
Glassware				
World	**5,524**	**1.57**	-	**100.00**
Developed economies (1)	**4,425**	**1.57**	-	**80.10**
Developing economies	**892**	**1.47**	-	**16.16**
Economies in transition (2)	**168**	**2.82**	-	**3.04**
United States	1,006	1.06	-	18.21
Germany	478	1.96	-	8.65
United Kingdom	340	1.21	-	6.16
France	302	1.62	-	5.47
Italy	259	2.48	-	4.68
Canada	229	1.89	-	4.15
Spain	217	2.44	-	3.93
Japan	216	1.16	-	3.90
Switzerland	171	1.77	-	3.10
Netherlands	151	2.06	-	2.73
Jewellery				
World	**31,254**	**8.91**	-	**100.00**
Developed economies (1)	**24,549**	**8.69**	-	**78.55**
Developing economies	**6,483**	**10.67**	-	**20.74**
Economies in transition (2)	**213**	**3.56**	-	**0.68**
United States	9,858	10.37	-	31.54
United Kingdom	3,732	13.23	-	11.94
China, SAR of Hong Kong	2,641	12.50	-	8.45
Japan	1,885	10.14	-	6.03
Switzerland	1,675	17.35	-	5.36
France	1,444	7.71	-	4.62
Germany	1,219	4.99	-	3.90
Singapore	1,155	31.05	-	3.69
Italy	833	7.97	-	2.66
Canada	599	4.95	-	1.92
MUSIC				
World	**16,419**	**4.68**	-	**100.00**
Developed economies (1)	**13,737**	**4.86**	-	**83.66**
Developing economies	**2,413**	**3.97**	-	**14.70**
Economies in transition (2)	**171**	**2.86**	-	**1.04**
Germany	2,376	9.73	-	14.47
United Kingdom	1,689	5.99	-	10.29
United States	1,244	1.31	-	7.57
China	1,052	28.61	-	6.41
France	1,003	5.36	-	6.11
Canada	742	6.14	-	4.52
Switzerland	732	7.58	-	4.46
Italy	719	6.88	-	4.38
Belgium	655	8.11	-	3.99
Netherlands	618	8.46	-	3.77
Printed				
World	**107**	**0.03**	-	**100.00**
Developed economies (1)	**97**	**0.03**	-	**90.69**
Developing economies	**10**	**0.02**	-	**9.10**
Economies in transition (2)	**0**	**0.00**	-	**0.21**
United Kingdom	17	0.06	-	15.79
Canada	13	0.10	-	11.68
United States	11	0.01	-	9.80
Austria	8	0.15	-	7.64
Germany	8	0.03	-	7.52
France	8	0.04	-	7.41
Japan	7	0.04	-	6.27
Switzerland	5	0.05	-	4.47
Australia	5	0.08	-	4.26
Italy	4	0.03	-	3.38

TABLE

1.4.1.B CREATIVE GOODS: TOP 10 WORLD IMPORTERS, BY PRODUCT GROUP, 2005

CONTINUED

Importer	Value (c.i.f. in millions of $)	2005 As % of country total	–	2005 As % of world total
NEW MEDIA				
World	**13,402**	**3.82**	**-**	**100.00**
Developed economies (1)	**10,718**	**3.79**	**-**	**79.97**
Developing economies	**2,465**	**4.06**	**-**	**18.39**
Economies in transition (2)	**187**	**3.12**	**-**	**1.39**
United States	3,183	3.35	-	23.75
Germany	1,084	4.44	-	8.09
China, SAR of Hong Kong	1,015	4.80	-	7.58
United Kingdom	905	3.21	-	6.75
Canada	845	6.98	-	6.30
Italy	680	6.51	-	5.08
Japan	581	3.12	-	4.33
France	521	2.78	-	3.88
Spain	510	5.72	-	3.80
Austria	361	6.45	-	2.69
Video games				
World	**10,966**	**3.13**	**-**	**100.00**
Developed economies (1)	**8,853**	**3.12**	**-**	**80.73**
Developing economies	**1,905**	**3.13**	**-**	**17.37**
Economies in transition (2)	**177**	**2.96**	**-**	**1.61**
United States	3,100	3.26	-	28.27
China, SAR of Hong Kong	1,015	4.80	-	9.26
Germany	900	3.68	-	8.20
Canada	791	6.54	-	7.21
United Kingdom	701	2.49	-	6.40
Japan	563	3.03	-	5.13
Spain	454	5.10	-	4.14
France	353	1.89	-	3.22
Austria	308	5.51	-	2.81
Netherlands	266	3.64	-	2.42
Books				
World	**13,836**	**3.94**	**-**	**100.00**
Developed economies (1)	**10,305**	**3.65**	**-**	**74.48**
Developing economies	**3,266**	**5.37**	**-**	**23.60**
Economies in transition (2)	**234**	**3.91**	**-**	**1.69**
United States	2,390	2.52	-	17.28
United Kingdom	1,241	4.40	-	8.97
Canada	1,187	9.81	-	8.58
France	717	3.83	-	5.18
China, SAR of Hong Kong	666	3.15	-	4.81
Germany	632	2.59	-	4.57
Switzerland	545	5.64	-	3.94
Austria	463	8.27	-	3.34
Belgium	431	5.34	-	3.12
Australia	414	7.57	-	2.99
Other publishing				
World	**14,866**	**4.24**	**-**	**100.00**
Developed economies (1)	**11,027**	**3.90**	**-**	**74.17**
Developing economies	**3,372**	**5.55**	**-**	**22.68**
Economies in transition (2)	**373**	**6.24**	**-**	**2.51**
United States	2,122	2.23	-	14.27
United Kingdom	1,197	4.24	-	8.05
Germany	1,139	4.67	-	7.66
France	1,012	5.40	-	6.80
Switzerland	707	7.32	-	4.75
Canada	647	5.35	-	4.36
Czech Republic	555	21.99	-	3.73
Netherlands	421	5.76	-	2.83
Japan	420	2.26	-	2.83
Belgium	418	5.18	-	2.81
Painting				
World	**963**	**0.27**	**-**	**100.00**
Developed economies (1)	**870**	**0.31**	**-**	**90.38**
Developing economies	**85**	**0.14**	**-**	**8.81**
Economies in transition (2)	**7**	**0.10**	**-**	**0.69**
United States	445	0.47	-	46.25
Germany	61	0.25	-	6.30
Japan	49	0.26	-	5.05
United Kingdom	46	0.16	-	4.83
China, SAR of Hong Kong	46	0.22	-	4.81
France	44	0.24	-	4.62
Canada	40	0.33	-	4.21
Belgium	30	0.37	-	3.10
Spain	22	0.24	-	2.26
Netherlands	18	0.24	-	1.85

Importer	Value (c.i.f. in millions of $)	2005 As % of country total	–	2005 As % of world total
Digital records				
World	**2,436**	**0.69**	**-**	**100.00**
Developed economies (1)	**1,865**	**0.66**	**-**	**76.53**
Developing economies	**560**	**0.92**	**-**	**23.00**
Economies in transition (2)	**10**	**0.15**	**-**	**0.39**
Italy	518	4.96	-	21.25
United Kingdom	203	0.72	-	8.34
Germany	184	0.75	-	7.56
France	167	0.89	-	6.86
Turkey	140	6.15	-	5.75
Greece	122	4.53	-	5.02
China, Taiwan Province of	101	4.25	-	4.16
Netherlands	93	1.27	-	3.81
United States	84	0.09	-	3.43
Belgium	66	0.81	-	2.69
PUBLISHING				
World	**45,783**	**13.05**	**-**	**100.00**
Developed economies (1)	**34,740**	**12.29**	**-**	**75.88**
Developing economies	**9,735**	**16.02**	**-**	**21.26**
Economies in transition (2)	**1,124**	**18.80**	**-**	**2.46**
United States	8,134	8.56	-	17.77
United Kingdom	3,669	13.01	-	8.01
Germany	3,008	12.32	-	6.57
Canada	2,839	23.47	-	6.20
France	2,638	14.09	-	5.76
Switzerland	1,716	17.78	-	3.75
Belgium	1,378	17.06	-	3.01
China, SAR of Hong Kong	1,141	5.40	-	2.49
Japan	1,112	5.98	-	2.43
Italy	1,088	10.41	-	2.38
Newspapers				
World	**17,081**	**4.87**	**-**	**100.00**
Developed economies (1)	**13,409**	**4.75**	**-**	**78.50**
Developing economies	**3,098**	**5.10**	**-**	**18.13**
Economies in transition (2)	**518**	**8.66**	**-**	**3.03**
United States	3,621	3.81	-	21.20
Germany	1,237	5.06	-	7.24
United Kingdom	1,231	4.36	-	7.21
Canada	1,005	8.31	-	5.88
France	910	4.86	-	5.32
Italy	639	6.12	-	3.74
Belgium	528	6.54	-	3.09
Spain	514	5.77	-	3.01
Switzerland	465	4.81	-	2.72
India	443	27.05	-	2.59
VISUAL ARTS				
World	**21,111**	**6.02**	**-**	**100.00**
Developed economies (1)	**18,610**	**6.59**	**-**	**88.16**
Developing economies	**2,382**	**3.92**	**-**	**11.28**
Economies in transition (2)	**102**	**1.71**	**-**	**0.48**
United States	7,902	8.32	-	37.43
United Kingdom	3,645	12.92	-	17.26
Switzerland	1,575	16.31	-	7.46
Germany	966	3.96	-	4.57
China, SAR of Hong Kong	835	3.95	-	3.96
France	770	4.11	-	3.65
Japan	704	3.79	-	3.34
Spain	449	5.05	-	2.13
Canada	413	3.42	-	1.96
Netherlands	353	4.83	-	1.67
Photography				
World	**1,674**	**0.48**	**-**	**100.00**
Developed economies (1)	**851**	**0.30**	**-**	**50.82**
Developing economies	**815**	**1.34**	**-**	**48.70**
Economies in transition (2)	**7**	**0.10**	**-**	**0.41**
United States	332	0.35	-	19.85
China, SAR of Hong Kong	226	1.07	-	13.50
China, Taiwan Province of	219	9.21	-	13.11
Republic of Korea	209	6.43	-	12.46
Singapore	120	3.23	-	7.18
France	102	0.54	-	6.09
Germany	93	0.38	-	5.58
Japan	66	0.35	-	3.92
United Kingdom	49	0.18	-	2.95
Netherlands	28	0.38	-	1.68

TABLE
1.4.1.B

Importer	Value (c.i.f. in millions of $)	2005 As % of country total	–	2005 As % of world total
Sculpture				
World	**5,691**	**1.62**	**-**	**100.00**
Developed economies (1)	**4,814**	**1.70**	**-**	**84.59**
Developing economies	**795**	**1.31**	**-**	**13.97**
Economies in transition (2)	**68**	**1.14**	**-**	**1.20**
United States	1,718	1.81	-	30.19
Germany	491	2.01	-	8.63
China, SAR of Hong Kong	324	1.53	-	5.69
Japan	320	1.72	-	5.62
France	307	1.64	-	5.39
United Kingdom	296	1.05	-	5.20
Netherlands	211	2.89	-	3.71
Italy	205	1.96	-	3.60
Spain	183	2.05	-	3.21
Belgium	176	2.18	-	3.09
Other visual arts				
World	**10,166**	**2.90**	**-**	**100.00**
Developed economies (1)	**9,628**	**3.41**	**-**	**94.70**
Developing economies	**519**	**0.85**	**-**	**5.10**
Economies in transition (2)	**20**	**0.33**	**-**	**0.19**
United States	3,900	4.10	-	38.36
United Kingdom	2,670	9.46	-	26.26
Switzerland	1,364	14.13	-	13.42
Germany	296	1.21	-	2.91
France	252	1.35	-	2.48
Spain	219	2.46	-	2.16
Japan	219	1.18	-	2.15
Canada	188	1.56	-	1.85
China, SAR of Hong Kong	111	0.52	-	1.09
Iran (Islamic Republic of)	99	30.85	-	0.98

Importer	Value (c.i.f. in millions of $)	2005 As % of country total	–	2005 As % of world total
Antiques				
World	**2,617**	**0.75**	**-**	**100.00**
Developed economies (1)	**2,448**	**0.87**	**-**	**93.55**
Developing economies	**168**	**0.28**	**-**	**6.42**
Economies in transition (2)	**1**	**0.01**	**-**	**0.03**
United States	1,506	1.59	-	57.56
United Kingdom	583	2.07	-	22.28
China, SAR of Hong Kong	128	0.61	-	4.91
Switzerland	84	0.87	-	3.21
France	65	0.35	-	2.47
Japan	51	0.27	-	1.94
Australia	27	0.50	-	1.04
Belgium	26	0.32	-	1.00
Germany	25	0.10	-	0.94
Canada	21	0.17	-	0.80

SOURCE: UNCTAD secretariat calculations based on United Nations Comtrade database data.

NOTES: (1) Developed economies, including Bulgaria and Romania.

(2) Excluding Bulgaria and Romania, which are included in the European Union (EU-27).

TABLE

1.4.2.A CREATIVE GOODS: TOP 10 EXPORTERS AMONG DEVELOPED ECONOMIES, BY PRODUCT GROUP, 2005

Exporter	Value (f.o.b. in millions of $)	2005 As % of country total	2005 As % of total for developed economies	2005 As % of world total
ALL CREATIVE INDUSTRIES				
World	**335,494**	**100.00**	**-**	**100.00**
Developed economies (1)	**196,109**	**100.00**	**-**	**58.45**
Developing economies	**136,231**	**100.00**	**-**	**40.61**
Economies in transition (2)	**3,154**	**100.00**	**-**	**0.94**
Italy	28,008	100.00	14.28	8.35
United States	25,544	100.00	13.03	7.61
Germany	24,763	100.00	12.63	7.38
United Kingdom	19,030	100.00	9.70	5.67
France	17,706	100.00	9.03	5.28
Canada	11,377	100.00	5.80	3.39
Belgium	9,343	100.00	4.76	2.78
Spain	9,138	100.00	4.66	2.72
Netherlands	7,250	100.00	3.70	2.16
Switzerland	6,053	100.00	3.09	1.80
Carpets				
World	**4,071**	**1.21**	**-**	**100.00**
Developed economies (1)	**1,577**	**0.81**	**-**	**38.74**
Developing economies	**2,452**	**1.80**	**-**	**60.24**
Economies in transition (2)	**30**	**1.51**	**-**	**0.74**
Belgium	673	7.20	42.67	16.53
United Kingdom	147	0.77	9.31	3.61
Germany	127	0.51	8.08	3.13
United States	108	0.42	6.86	2.66
Netherlands	70	0.96	4.42	1.71
France	58	0.33	3.70	1.43
Poland	53	1.25	3.35	1.30
Portugal	37	2.73	2.37	0.92
Sweden	37	1.07	2.33	0.90
Spain	37	0.40	2.33	0.90
Paperware				
World	**62**	**0.02**	**-**	**100.00**
Developed economies (1)	**30**	**0.02**	**-**	**48.27**
Developing economies	**32**	**0.02**	**-**	**51.69**
Economies in transition (2)	**0**	**0.00**	**-**	**0.01**
United States	11	0.04	37.88	18.28
France	6	0.04	21.47	10.36
United Kingdom	2	0.01	8.32	4.02
Japan	2	0.04	6.96	3.36
Italy	2	0.01	5.95	2.87
Netherlands	2	0.02	5.47	2.64
Austria	1	0.02	2.51	1.21
Germany	1	0.00	2.10	1.01
Switzerland	1	0.01	1.95	0.94
Belgium	0	0.01	1.65	0.80
Yarn				
World	**4,808**	**1.43**	**-**	**100.00**
Developed economies (1)	**1,692**	**0.87**	**-**	**35.18**
Developing economies	**3,048**	**2.24**	**-**	**63.38**
Economies in transition (2)	**8**	**1.22**	**-**	**0.17**
Italy	206	0.74	12.21	4.29
United States	204	0.80	12.09	4.25
France	201	1.14	11.89	4.18
Austria	149	3.04	8.79	3.09
Germany	135	0.55	8.00	2.82
Portugal	126	9.18	7.44	2.62
Poland	101	2.40	5.97	2.10
Switzerland	96	1.59	5.68	2.00
Belgium	93	1.00	5.52	1.94
Japan	57	1.03	3.38	1.19
AUDIOVISUALS				
World	**664**	**0.20**	**-**	**100.00**
Developed economies (1)	**592**	**0.30**	**-**	**89.20**
Developing economies	**55**	**0.04**	**-**	**8.25**
Economies in transition (2)	**2**	**0.16**	**-**	**0.35**
Canada	318	2.79	53.66	47.86
Italy	160	0.57	26.99	24.07
United Kingdom	29	0.15	4.90	4.37
United States	28	0.11	4.76	4.25
France	21	0.12	3.62	3.23
Australia	10	0.92	1.64	1.47
Germany	8	0.03	1.41	1.26
Belgium	4	0.04	0.71	0.63
Spain	2	0.02	0.38	0.34
Portugal	2	0.16	0.37	0.33

Exporter	Value (f.o.b. in millions of $)	2005 As % of country total	2005 As % of total for developed economies	2005 As % of world total
ARTS AND CRAFTS				
World	**23,244**	**6.93**	**-**	**100.00**
Developed economies (1)	**9,118**	**4.69**	**-**	**39.23**
Developing economies	**13,881**	**10.19**	**-**	**59.72**
Economies in transition (2)	**137**	**7.74**	**-**	**0.59**
Belgium	1,381	14.79	15.15	5.94
Germany	1,048	4.23	11.49	4.51
United States	977	3.83	10.72	4.20
Italy	748	2.67	8.21	3.22
United Kingdom	685	3.60	7.51	2.95
Netherlands	555	7.65	6.09	2.39
France	541	3.05	5.93	2.33
Poland	533	12.65	5.85	2.29
Spain	482	5.28	5.29	2.08
Canada	343	3.02	3.76	1.48
Celebration				
World	**3,118**	**0.93**	**-**	**100.00**
Developed economies (1)	**867**	**0.45**	**-**	**27.79**
Developing economies	**2,234**	**1.64**	**-**	**71.65**
Economies in transition (2)	**9**	**1.56**	**-**	**0.29**
Netherlands	144	1.99	16.62	4.62
United States	127	0.50	14.63	4.06
Germany	116	0.47	13.37	3.72
Belgium	98	1.05	11.34	3.15
United Kingdom	64	0.34	7.37	2.05
Italy	51	0.18	5.93	1.65
Poland	48	1.13	5.49	1.53
Canada	47	0.41	5.39	1.50
Austria	26	0.53	3.00	0.83
Denmark	25	0.74	2.94	0.82
Wickerware				
World	**1,640**	**0.49**	**-**	**100.00**
Developed economies (1)	**256**	**0.13**	**-**	**15.59**
Developing economies	**1,374**	**1.01**	**-**	**83.82**
Economies in transition (2)	**7**	**0.46**	**-**	**0.41**
Belgium	48	0.52	18.91	2.95
Germany	38	0.15	14.72	2.29
United States	35	0.14	13.71	2.14
Netherlands	35	0.48	13.70	2.14
Poland	30	0.71	11.63	1.81
France	12	0.07	4.52	0.71
Spain	10	0.11	3.88	0.60
Canada	8	0.07	3.28	0.51
Denmark	7	0.20	2.72	0.42
United Kingdom	7	0.04	2.61	0.41
Other arts and crafts				
World	**9,546**	**2.85**	**-**	**100.00**
Developed economies (1)	**4,698**	**2.42**	**-**	**49.21**
Developing economies	**4,741**	**3.48**	**-**	**49.66**
Economies in transition (2)	**83**	**2.95**	**-**	**0.87**
Germany	631	2.55	13.42	6.61
United States	492	1.92	10.47	5.15
Belgium	468	5.01	9.96	4.90
Italy	447	1.60	9.51	4.68
United Kingdom	420	2.21	8.95	4.40
Spain	356	3.90	7.59	3.73
Poland	302	7.16	6.42	3.16
Netherlands	278	3.84	5.92	2.91
Canada	246	2.16	5.23	2.57
France	241	1.36	5.13	2.52
Film				
World	**664**	**0.20**	**-**	**100.00**
Developed economies (1)	**592**	**0.30**	**-**	**89.20**
Developing economies	**55**	**0.04**	**-**	**8.25**
Economies in transition (2)	**2**	**0.16**	**-**	**0.35**
Canada	318	2.79	53.66	47.86
Italy	160	0.57	26.99	24.07
United Kingdom	29	0.15	4.90	4.37
United States	28	0.11	4.76	4.25
France	21	0.12	3.62	3.23
Australia	10	0.92	1.64	1.47
Germany	8	0.03	1.41	1.26
Belgium	4	0.04	0.71	0.63
Spain	2	0.02	0.38	0.34
Portugal	2	0.16	0.37	0.33

TABLE

1.4.2.A

Exporter	Value (f.o.b. in millions of $)	2005 As % of country total	2005 As % of total for developed economies	2005 As % of world total
DESIGN				
World	**218,173**	**65.03**	**-**	**100.00**
Developed economies (1)	**112,595**	**57.91**	**-**	**51.61**
Developing economies	**102,413**	**75.18**	**-**	**46.94**
Economies in transition (2)	**1,735**	**64.16**	**-**	**0.80**
Italy	24,801	88.55	22.03	11.37
France	12,864	72.65	11.43	5.90
Germany	12,838	51.84	11.40	5.88
United States	11,224	43.94	9.97	5.14
Spain	6,747	73.83	5.99	3.09
United Kingdom	6,632	34.85	5.89	3.04
Belgium	5,499	58.86	4.88	2.52
Switzerland	4,191	69.23	3.72	1.92
Canada	3,692	32.45	3.28	1.69
Japan	3,678	66.31	3.27	1.69
Fashion				
World	**60,100**	**17.91**	**-**	**100.00**
Developed economies (1)	**27,825**	**14.31**	**-**	**46.30**
Developing economies	**31,864**	**23.39**	**-**	**53.02**
Economies in transition (2)	**161**	**17.65**	**-**	**0.27**
Italy	7,277	25.98	26.15	12.11
France	7,217	40.76	25.94	12.01
Germany	2,767	11.17	9.94	4.60
United States	2,351	9.20	8.45	3.91
United Kingdom	1,586	8.33	5.70	2.64
Belgium	1,378	14.75	4.95	2.29
Spain	1,182	12.93	4.25	1.97
Netherlands	906	12.50	3.26	1.51
Switzerland	582	9.61	2.09	0.97
Canada	341	3.00	1.23	0.57
Interior				
World	**66,597**	**19.85**	**-**	**100.00**
Developed economies (1)	**38,235**	**19.66**	**-**	**57.41**
Developing economies	**26,558**	**19.49**	**-**	**39.88**
Economies in transition (2)	**820**	**19.73**	**-**	**1.23**
Germany	5,871	23.71	15.36	8.82
Italy	5,842	20.86	15.28	8.77
United States	3,084	12.07	8.07	4.63
Belgium	2,873	30.76	7.51	4.31
Canada	2,632	23.13	6.88	3.95
France	2,461	13.90	6.44	3.70
Poland	2,207	52.37	5.77	3.31
Denmark	1,929	55.93	5.05	2.90
Netherlands	1,795	24.76	4.70	2.70
United Kingdom	1,620	8.51	4.24	2.43
Toys				
World	**30,425**	**9.07**	**-**	**100.00**
Developed economies (1)	**10,941**	**5.63**	**-**	**35.96**
Developing economies	**19,350**	**14.20**	**-**	**63.60**
Economies in transition (2)	**40**	**10.77**	**-**	**0.13**
Japan	2,636	47.53	24.10	8.67
Germany	1,937	7.82	17.70	6.37
United States	1,159	4.54	10.59	3.81
France	620	3.50	5.67	2.04
Netherlands	613	8.45	5.60	2.01
Belgium	607	6.50	5.55	2.00
United Kingdom	589	3.09	5.38	1.94
Italy	502	1.79	4.58	1.65
Spain	430	4.71	3.93	1.41
Canada	303	2.67	2.77	1.00
Records				
World	**14,805**	**4.41**	**-**	**100.00**
Developed economies (1)	**13,308**	**6.84**	**-**	**89.89**
Developing economies	**1,409**	**1.03**	**-**	**9.51**
Economies in transition (2)	**63**	**3.06**	**-**	**0.43**
Germany	3,449	13.93	25.92	23.30
United Kingdom	1,575	8.27	11.83	10.64
United States	1,455	5.70	10.94	9.83
Austria	1,340	27.45	10.07	9.05
Netherlands	1,324	18.26	9.95	8.94
Ireland	801	35.22	6.02	5.41
France	639	3.61	4.80	4.32
Canada	375	3.30	2.82	2.54
Sweden	347	10.12	2.61	2.34
Belgium	312	3.34	2.35	2.11

Exporter	Value (f.o.b. in millions of $)	2005 As % of country total	2005 As % of total for developed economies	2005 As % of world total
Graphic				
World	**16,422**	**4.89**	**-**	**100.00**
Developed economies (1)	**11,237**	**5.78**	**-**	**68.43**
Developing economies	**4,954**	**3.64**	**-**	**30.17**
Economies in transition (2)	**198**	**4.40**	**-**	**1.20**
Italy	5,699	20.35	50.72	34.70
Spain	3,247	35.53	28.90	19.77
Germany	516	2.08	4.59	3.14
Portugal	365	26.61	3.25	2.22
France	224	1.27	2.00	1.37
Canada	157	1.38	1.40	0.96
Belgium	143	1.53	1.27	0.87
Poland	140	3.32	1.25	0.85
United States	108	0.42	0.96	0.66
United Kingdom	97	0.51	0.86	0.59
Glassware				
World	**6,016**	**1.79**	**-**	**100.00**
Developed economies (1)	**4,175**	**2.15**	**-**	**69.39**
Developing economies	**1,737**	**1.28**	**-**	**28.87**
Economies in transition (2)	**42**	**2.00**	**-**	**0.69**
France	943	5.33	22.60	15.68
Germany	567	2.29	13.58	9.42
Italy	395	1.41	9.45	6.56
Czech Republic	341	12.35	8.16	5.66
Poland	278	6.59	6.65	4.62
Switzerland	220	3.63	5.26	3.65
United States	201	0.79	4.83	3.35
Austria	166	3.41	3.98	2.76
Belgium	144	1.54	3.44	2.39
Netherlands	136	1.88	3.27	2.27
Jewellery				
World	**38,612**	**11.51**	**-**	**100.00**
Developed economies (1)	**20,183**	**10.38**	**-**	**52.27**
Developing economies	**17,951**	**13.18**	**-**	**46.49**
Economies in transition (2)	**475**	**9.60**	**-**	**1.23**
Italy	5,087	18.16	25.20	13.17
United States	4,321	16.92	21.41	11.19
Switzerland	2,694	44.51	13.35	6.98
United Kingdom	2,671	14.03	13.23	6.92
France	1,398	7.90	6.93	3.62
Germany	1,180	4.76	5.85	3.06
Japan	435	7.84	2.16	1.13
Israel	402	53.67	1.99	1.04
Belgium	355	3.80	1.76	0.92
Austria	328	6.71	1.62	0.85
MUSIC				
World	**14,924**	**4.45**	**-**	**100.00**
Developed economies (1)	**13,424**	**6.90**	**-**	**89.94**
Developing economies	**1,412**	**1.04**	**-**	**9.46**
Economies in transition (2)	**63**	**3.09**	**-**	**0.42**
Germany	3,481	14.06	25.93	23.32
United Kingdom	1,596	8.39	11.89	10.70
United States	1,491	5.84	11.10	9.99
Austria	1,347	27.58	10.03	9.02
Netherlands	1,325	18.28	9.87	8.88
Ireland	801	35.22	5.97	5.37
France	644	3.64	4.80	4.32
Canada	376	3.30	2.80	2.52
Sweden	347	10.12	2.58	2.32
Belgium	313	3.34	2.33	2.09
Printed				
World	**119**	**0.04**	**-**	**100.00**
Developed economies (1)	**116**	**0.06**	**-**	**96.89**
Developing economies	**4**	**0.00**	**-**	**3.01**
Economies in transition (2)	**0**	**0.00**	**-**	**0.10**
United States	35	0.14	30.42	29.47
Germany	32	0.13	27.38	26.53
United Kingdom	22	0.11	18.75	18.17
Italy	8	0.03	7.27	7.05
Austria	6	0.13	5.46	5.29
France	5	0.03	4.73	4.59
Australia	2	0.16	1.49	1.44
Switzerland	1	0.02	1.16	1.12
Japan	1	0.02	0.96	0.93
Netherlands	1	0.01	0.83	0.81

TABLE

1.4.2.A CREATIVE GOODS: TOP 10 EXPORTERS AMONG DEVELOPED ECONOMIES, BY PRODUCT GROUP, 2005

CONTINUED

Exporter	Value (f.o.b. in millions of $)	2005 As % of country total	2005 As % of total for developed economies	2005 As % of world total
NEW MEDIA				
World	**12,035**	**3.59**	**-**	**100.00**
Developed economies (1)	**6,471**	**3.33**	**-**	**53.77**
Developing economies	**5,508**	**4.04**	**-**	**45.77**
Economies in transition (2)	**50**	**3.03**	**-**	**0.41**
United States	1,805	7.07	27.89	15.00
Ireland	698	30.69	10.79	5.80
Germany	691	2.79	10.68	5.74
United Kingdom	600	3.15	9.26	4.98
Austria	579	11.86	8.95	4.81
Netherlands	330	4.55	5.10	2.74
Australia	290	27.55	4.49	2.41
Japan	235	4.23	3.62	1.95
Spain	190	2.08	2.94	1.58
Belgium	177	1.89	2.73	1.47
Video games				
World	**9,752**	**2.91**	**-**	**100.00**
Developed economies (1)	**4,426**	**2.28**	**-**	**45.38**
Developing economies	**5,278**	**3.87**	**-**	**54.12**
Economies in transition (2)	**44**	**1.95**	**-**	**0.45**
United States	1,340	5.24	30.27	13.74
Germany	540	2.18	12.20	5.54
Austria	510	10.45	11.53	5.23
United Kingdom	374	1.97	8.46	3.84
Australia	281	26.62	6.34	2.88
Netherlands	209	2.88	4.71	2.14
Japan	185	3.33	4.18	1.90
Spain	173	1.89	3.90	1.77
Canada	164	1.44	3.70	1.68
Czech Republic	130	4.72	2.94	1.34
Books				
World	**12,881**	**3.84**	**-**	**100.00**
Developed economies (1)	**9,707**	**4.99**	**-**	**75.36**
Developing economies	**2,965**	**2.18**	**-**	**23.02**
Economies in transition (2)	**203**	**4.30**	**-**	**1.58**
United States	2,033	7.96	20.95	15.79
United Kingdom	2,017	10.60	20.78	15.66
Germany	1,297	5.24	13.36	10.07
Spain	773	8.46	7.97	6.00
France	647	3.65	6.67	5.02
Italy	541	1.93	5.57	4.20
Belgium	403	4.31	4.15	3.13
Canada	369	3.24	3.80	2.86
Netherlands	234	3.23	2.41	1.82
Switzerland	171	2.83	1.77	1.33
Other publishing				
World	**16,099**	**4.80**	**-**	**100.00**
Developed economies (1)	**13,257**	**6.82**	**-**	**82.35**
Developing economies	**2,641**	**1.94**	**-**	**16.41**
Economies in transition (2)	**184**	**4.50**	**-**	**1.14**
Germany	2,826	11.41	21.32	17.55
United States	1,892	7.41	14.27	11.75
United Kingdom	1,138	5.98	8.59	7.07
Canada	1,062	9.33	8.01	6.60
France	903	5.10	6.81	5.61
Italy	889	3.17	6.71	5.52
Belgium	798	8.54	6.02	4.96
Netherlands	595	8.21	4.49	3.70
Czech Republic	546	19.81	4.12	3.39
Japan	411	7.41	3.10	2.55
Painting				
World	**955**	**0.28**	**-**	**100.00**
Developed economies (1)	**245**	**0.13**	**-**	**25.70**
Developing economies	**688**	**0.50**	**-**	**72.03**
Economies in transition (2)	**2**	**0.35**	**-**	**0.25**
Italy	65	0.23	26.30	6.76
Belgium	34	0.36	13.80	3.55
United States	29	0.11	11.92	3.06
Poland	24	0.57	9.84	2.53
France	11	0.06	4.40	1.13
Netherlands	11	0.15	4.31	1.11
United Kingdom	10	0.05	4.05	1.04
Czech Republic	10	0.35	3.89	1.00
Germany	9	0.04	3.64	0.94
Spain	8	0.09	3.43	0.88

Exporter	Value (f.o.b. in millions of $)	2005 As % of country total	2005 As % of total for developed economies	2005 As % of world total
Digital records				
World	**2,282**	**0.68**	**-**	**100.00**
Developed economies (1)	**2,046**	**1.05**	**-**	**89.64**
Developing economies	**230**	**0.17**	**-**	**10.09**
Economies in transition (2)	**6**	**0.13**	**-**	**0.27**
Ireland	670	29.47	32.77	29.37
United States	465	1.82	22.75	20.39
United Kingdom	225	1.18	11.01	9.87
Germany	151	0.61	7.38	6.61
Netherlands	122	1.68	5.94	5.32
Belgium	92	0.98	4.49	4.02
France	77	0.43	3.75	3.36
Austria	69	1.41	3.37	3.02
Japan	50	0.89	2.42	2.17
Denmark	21	0.60	1.01	0.90
PUBLISHING				
World	**44,304**	**13.21**	**-**	**100.00**
Developed economies (1)	**36,593**	**18.82**	**-**	**82.60**
Developing economies	**6,567**	**4.82**	**-**	**14.82**
Economies in transition (2)	**1,096**	**14.59**	**-**	**2.47**
Canada	5,965	52.43	16.30	13.46
Germany	5,894	23.80	16.11	13.30
United States	5,496	21.51	15.02	12.40
United Kingdom	4,134	21.73	11.30	9.33
France	2,490	14.06	6.80	5.62
Italy	1,676	5.98	4.58	3.78
Belgium	1,552	16.61	4.24	3.50
Spain	1,327	14.52	3.63	2.99
Sweden	1,225	35.75	3.35	2.77
Netherlands	1,205	16.62	3.29	2.72
Newspapers				
World	**15,324**	**4.57**	**-**	**100.00**
Developed economies (1)	**13,629**	**7.01**	**-**	**88.94**
Developing economies	**961**	**0.71**	**-**	**6.27**
Economies in transition (2)	**709**	**5.79**	**-**	**4.62**
Canada	4,534	39.85	33.27	29.59
Germany	1,771	7.15	12.99	11.56
United States	1,570	6.15	11.52	10.24
United Kingdom	979	5.15	7.19	6.39
Sweden	966	28.18	7.09	6.30
France	940	5.31	6.90	6.13
Finland	394	37.76	2.89	2.57
Netherlands	376	5.19	2.76	2.45
Belgium	351	3.76	2.58	2.29
Spain	273	2.99	2.00	1.78
VISUAL ARTS				
World	**22,149**	**6.60**	**-**	**100.00**
Developed economies (1)	**15,651**	**8.05**	**-**	**70.66**
Developing economies	**6,395**	**4.69**	**-**	**28.87**
Economies in transition (2)	**71**	**7.22**	**-**	**0.32**
United Kingdom	5,354	28.13	34.21	24.17
United States	4,523	17.71	28.90	20.42
France	1,019	5.76	6.51	4.60
Germany	803	3.24	5.13	3.62
Switzerland	785	12.97	5.01	3.54
Japan	598	10.78	3.82	2.70
Canada	512	4.50	3.27	2.31
Italy	431	1.54	2.75	1.94
Belgium	416	4.45	2.66	1.88
Netherlands	250	3.45	1.60	1.13
Photography				
World	**1,494**	**0.45**	**-**	**100.00**
Developed economies (1)	**979**	**0.50**	**-**	**65.52**
Developing economies	**514**	**0.38**	**-**	**34.39**
Economies in transition (2)	**0**	**0.39**	**-**	**0.03**
Japan	519	9.36	53.02	34.74
United States	110	0.43	11.24	7.36
Germany	89	0.36	9.11	5.97
United Kingdom	89	0.47	9.06	5.94
France	45	0.26	4.62	3.02
Italy	28	0.10	2.84	1.86
Belgium	25	0.26	2.52	1.65
Netherlands	21	0.29	2.17	1.42
Canada	8	0.07	0.77	0.51
Sweden	7	0.20	0.70	0.46

TABLE
1.4.2.A

Exporter	Value (f.o.b. in millions of $)	2005 As % of country total	2005 As % of total for developed economies	2005 As % of world total
Sculpture				
World	**6,078**	**1.81**	**-**	**100.00**
Developed economies (1)	**1,825**	**0.94**	**-**	**30.02**
Developing economies	**4,177**	**3.07**	**-**	**68.73**
Economies in transition (2)	**65**	**2.27**	**-**	**1.07**
Belgium	265	2.83	14.51	4.35
Germany	232	0.94	12.74	3.82
Italy	189	0.67	10.36	3.11
Spain	173	1.89	9.47	2.84
United States	167	0.65	9.14	2.74
Netherlands	159	2.20	8.73	2.62
France	137	0.77	7.51	2.26
Portugal	106	7.70	5.79	1.74
United Kingdom	94	0.50	5.16	1.55
Denmark	72	2.09	3.96	1.19
Other visual arts				
World	**11,087**	**3.30**	**-**	**100.00**
Developed economies (1)	**10,250**	**5.27**	**-**	**92.45**
Developing economies	**833**	**0.61**	**-**	**7.52**
Economies in transition (2)	**3**	**3.30**	**-**	**0.03**
United States	3,878	15.18	37.84	34.98
United Kingdom	3,757	19.74	36.65	33.89
Switzerland	625	10.32	6.09	5.63
France	580	3.28	5.66	5.24
Canada	435	3.82	4.24	3.92
Germany	410	1.65	4.00	3.69
Italy	135	0.48	1.32	1.22
Austria	67	1.37	0.65	0.61
Belgium	53	0.56	0.51	0.48
Japan	44	0.79	0.43	0.40

Exporter	Value (f.o.b. in millions of $)	2005 As % of country total	2005 As % of total for developed economies	2005 As % of world total
Antiques				
World	**2,536**	**0.76**	**-**	**100.00**
Developed economies (1)	**2,352**	**1.21**	**-**	**92.77**
Developing economies	**183**	**0.13**	**-**	**7.21**
Economies in transition (2)	**0**	**0.01**	**-**	**0.02**
United Kingdom	1,404	7.38	59.68	55.36
United States	338	1.32	14.39	13.35
France	246	1.39	10.46	9.70
Switzerland	142	2.34	6.02	5.58
Germany	62	0.25	2.65	2.46
Belgium	40	0.43	1.71	1.58
Netherlands	18	0.25	0.77	0.72
Canada	17	0.15	0.73	0.68
Denmark	17	0.48	0.71	0.65
Italy	14	0.05	0.60	0.56

SOURCE: UNCTAD secretariat calculations based on United Nations Comtrade database data.

NOTES: (1) Developed economies, including Bulgaria and Romania.

(2) Excluding Bulgaria and Romania, which are included in the European Union (EU-27).

TABLE

1.4.2.B CREATIVE GOODS: TOP 10 IMPORTERS AMONG DEVELOPED ECONOMIES, BY PRODUCT GROUP, 2005

Importer	Value (c.i.f. in millions of $)	2005 As % of country total	2005 As % of total for developed economies	2005 As % of world total
ALL CREATIVE INDUSTRIES				
World	**350,884**	**100.00**	**-**	**100.00**
Developed economies (1)	**284,147**	**100.00**	**-**	**80.53**
Developing economies	**60,759**	**100.00**	**-**	**17.32**
Economies in transition (2)	**5,978**	**100.00**	**-**	**1.70**
United States	95,021	100.00	33.44	27.08
United Kingdom	28,212	100.00	9.93	8.04
Germany	24,418	100.00	8.59	6.96
France	18,717	100.00	6.59	5.33
Japan	18,592	100.00	6.54	5.30
Canada	12,094	100.00	4.26	3.45
Italy	10,448	100.00	3.68	2.98
Switzerland	9,655	100.00	3.40	2.75
Spain	8,903	100.00	3.13	2.54
Belgium	8,077	100.00	2.84	2.30
Carpets				
World	**4,033**	**1.15**	**-**	**100.00**
Developed economies (1)	**3,568**	**1.26**	**-**	**88.47**
Developing economies	**375**	**0.62**	**-**	**9.31**
Economies in transition (2)	**70**	**1.17**	**-**	**1.74**
United States	1,327	1.40	37.20	32.91
Germany	482	1.97	13.50	11.95
United Kingdom	289	1.03	8.10	7.17
Japan	235	1.26	6.59	5.83
Italy	164	1.57	4.61	4.08
France	149	0.80	4.18	3.70
Canada	89	0.74	2.51	2.22
Switzerland	83	0.86	2.34	2.07
Spain	77	0.87	2.17	1.92
Netherlands	77	1.05	2.15	1.90
Paperware				
World	**118**	**0.03**	**-**	**100.00**
Developed economies (1)	**99**	**0.04**	**-**	**83.83**
Developing economies	**18**	**0.03**	**-**	**15.11**
Economies in transition (2)	**0**	**0.01**	**-**	**0.26**
France	55	0.29	55.18	46.26
Japan	17	0.09	16.76	14.05
Netherlands	5	0.07	5.49	4.60
United Kingdom	3	0.01	3.38	2.83
United States	3	0.00	3.10	2.60
Ireland	3	0.13	3.06	2.57
Belgium	2	0.03	2.29	1.92
Italy	2	0.02	2.05	1.72
Austria	1	0.02	1.29	1.08
Greece	1	0.04	0.99	0.83
Yarn				
World	**3,884**	**1.11**	**-**	**100.00**
Developed economies (1)	**3,166**	**1.12**	**-**	**81.50**
Developing economies	**657**	**1.08**	**-**	**16.90**
Economies in transition (2)	**38**	**0.64**	**-**	**0.99**
United States	775	0.82	24.47	19.95
Germany	349	1.43	11.03	8.99
France	335	1.79	10.57	8.61
United Kingdom	252	0.89	7.95	6.48
Italy	173	1.65	5.46	4.45
Spain	153	1.72	4.83	3.94
Belgium	131	1.62	4.14	3.38
Japan	127	0.68	4.02	3.28
Australia	109	2.00	3.46	2.82
Austria	101	1.81	3.20	2.61
AUDIOVISUALS				
World	**650**	**0.19**	**-**	**100.00**
Developed economies (1)	**526**	**0.19**	**-**	**80.99**
Developing economies	**116**	**0.19**	**-**	**17.86**
Economies in transition (2)	**7**	**0.12**	**-**	**1.06**
United States	358	0.38	68.02	55.09
France	33	0.18	6.25	5.07
Spain	22	0.25	4.24	3.43
United Kingdom	21	0.07	3.97	3.21
Japan	19	0.10	3.58	2.90
Germany	14	0.06	2.66	2.16
Australia	9	0.16	1.70	1.38
Austria	8	0.15	1.60	1.29
Switzerland	7	0.07	1.33	1.08
Canada	5	0.04	0.96	0.78

Importer	Value (c.i.f. in millions of $)	2005 As % of country total	2005 As % of total for developed economies	2005 As % of world total
ARTS AND CRAFTS				
World	**25,091**	**7.15**	**-**	**100.00**
Developed economies (1)	**20,174**	**7.14**	**-**	**80.40**
Developing economies	**4,390**	**7.23**	**-**	**17.50**
Economies in transition (2)	**421**	**7.05**	**-**	**1.68**
United States	7,598	8.00	37.66	30.28
Germany	1,911	7.83	9.47	7.62
United Kingdom	1,589	5.63	7.87	6.33
France	1,226	6.55	6.08	4.89
Japan	979	5.27	4.85	3.90
Italy	917	8.78	4.55	3.65
Canada	828	6.84	4.10	3.30
Belgium	613	7.59	3.04	2.44
Spain	545	6.12	2.70	2.17
Netherlands	538	7.37	2.67	2.15
Celebration				
World	**5,698**	**1.62**	**-**	**100.00**
Developed economies (1)	**5,045**	**1.79**	**-**	**88.54**
Developing economies	**591**	**0.97**	**-**	**10.37**
Economies in transition (2)	**54**	**0.90**	**-**	**0.95**
United States	3,099	3.26	61.43	54.39
United Kingdom	344	1.22	6.82	6.04
Canada	256	2.11	5.07	4.49
Germany	213	0.87	4.22	3.74
France	193	1.03	3.82	3.38
Italy	147	1.41	2.92	2.59
Belgium	122	1.51	2.41	2.13
Netherlands	92	1.26	1.82	1.62
Spain	73	0.83	1.46	1.29
Australia	59	1.07	1.17	1.03
Wickerware				
World	**1,786**	**0.51**	**-**	**100.00**
Developed economies (1)	**1,643**	**0.58**	**-**	**91.98**
Developing economies	**131**	**0.22**	**-**	**7.32**
Economies in transition (2)	**11**	**0.18**	**-**	**0.60**
United States	547	0.58	33.31	30.63
Japan	298	1.60	18.15	16.70
Germany	157	0.64	9.55	8.78
France	99	0.53	6.02	5.54
United Kingdom	89	0.31	5.41	4.97
Italy	68	0.65	4.11	3.78
Spain	65	0.73	3.96	3.64
Netherlands	51	0.70	3.13	2.88
Belgium	51	0.63	3.12	2.87
Canada	44	0.36	2.66	2.45
Other arts and crafts				
World	**9,572**	**2.73**	**-**	**100.00**
Developed economies (1)	**6,654**	**2.35**	**-**	**69.52**
Developing economies	**2,619**	**4.31**	**-**	**27.36**
Economies in transition (2)	**248**	**4.15**	**-**	**2.59**
United States	1,847	1.94	27.75	19.29
Germany	709	2.91	10.66	7.41
United Kingdom	612	2.17	9.19	6.39
France	396	2.12	5.96	4.14
Italy	363	3.47	5.45	3.79
Canada	344	2.85	5.17	3.60
Japan	251	1.35	3.76	2.62
Belgium	239	2.96	3.59	2.50
Netherlands	225	3.08	3.38	2.35
Greece	206	7.63	3.10	2.15
Film				
World	**650**	**0.19**	**-**	**100.00**
Developed economies (1)	**526**	**0.19**	**-**	**80.99**
Developing economies	**116**	**0.19**	**-**	**17.86**
Economies in transition (2)	**7**	**0.12**	**-**	**1.06**
United States	358	0.38	68.02	55.09
France	33	0.18	6.25	5.07
Spain	22	0.25	4.24	3.43
United Kingdom	21	0.07	3.97	3.21
Japan	19	0.10	3.58	2.90
Germany	14	0.06	2.66	2.16
Australia	9	0.16	1.70	1.38
Austria	8	0.15	1.60	1.29
Switzerland	7	0.07	1.33	1.08
Canada	5	0.04	0.96	0.78

TABLE

1.4.2.B

Importer	Value (c.i.f. in millions of $)	2005 As % of country total	2005 As % of total for developed economies	2005 As % of world total
DESIGN				
World	**228,428**	**65.10**	**-**	**100.00**
Developed economies (1)	**184,052**	**65.14**	**-**	**80.57**
Developing economies	**39,257**	**64.61**	**-**	**17.19**
Economies in transition (2)	**3,967**	**66.35**	**-**	**1.74**
United States	66,603	70.09	36.19	29.16
United Kingdom	16,695	59.18	9.07	7.31
Germany	15,059	61.67	8.18	6.59
Japan	14,705	79.09	7.99	6.44
France	12,527	66.93	6.81	5.48
Italy	6,713	64.25	3.65	2.94
Canada	6,422	53.10	3.49	2.81
Spain	5,956	66.90	3.24	2.61
Switzerland	5,219	54.06	2.84	2.28
Belgium	4,969	61.52	2.70	2.18
Fashion				
World	**60,792**	**17.33**	**-**	**100.00**
Developed economies (1)	**46,802**	**16.56**	**-**	**76.99**
Developing economies	**12,767**	**21.01**	**-**	**21.00**
Economies in transition (2)	**841**	**14.07**	**-**	**1.38**
United States	14,656	15.42	31.32	24.11
Japan	5,837	31.39	12.47	9.60
Germany	4,043	16.56	8.64	6.65
United Kingdom	3,591	12.73	7.67	5.91
France	3,262	17.43	6.97	5.37
Italy	2,726	26.09	5.82	4.48
Spain	2,114	23.75	4.52	3.48
Belgium	1,335	16.52	2.85	2.20
Canada	1,324	10.95	2.83	2.18
Netherlands	1,138	15.56	2.43	1.87
Interior				
World	**70,345**	**20.05**	**-**	**100.00**
Developed economies (1)	**60,693**	**21.48**	**-**	**86.28**
Developing economies	**7,655**	**12.60**	**-**	**10.88**
Economies in transition (2)	**1,615**	**27.02**	**-**	**2.30**
United States	21,388	22.51	35.24	30.40
United Kingdom	5,335	18.91	8.79	7.58
Germany	5,300	21.70	8.73	7.53
France	4,243	22.67	6.99	6.03
Japan	2,945	15.84	4.85	4.19
Canada	2,688	22.22	4.43	3.82
Netherlands	1,934	26.45	3.19	2.75
Spain	1,868	20.98	3.08	2.66
Belgium	1,855	22.97	3.06	2.64
Switzerland	1,601	16.58	2.64	2.28
Toys				
World	**43,064**	**12.27**	**-**	**100.00**
Developed economies (1)	**33,773**	**11.95**	**-**	**78.43**
Developing economies	**8,816**	**14.51**	**-**	**20.47**
Economies in transition (2)	**379**	**6.35**	**-**	**0.88**
United States	14,481	15.24	42.88	33.63
Germany	2,932	12.01	8.68	6.81
Japan	2,881	15.50	8.53	6.69
United Kingdom	2,773	9.83	8.21	6.44
France	1,860	9.94	5.51	4.32
Canada	1,269	10.49	3.76	2.95
Italy	1,093	10.46	3.24	2.54
Spain	971	10.90	2.87	2.25
Belgium	847	10.48	2.51	1.97
Netherlands	741	10.13	2.19	1.72
Records				
World	**16,312**	**4.65**	**-**	**100.00**
Developed economies (1)	**13,639**	**4.83**	**-**	**83.62**
Developing economies	**2,404**	**3.96**	**-**	**14.73**
Economies in transition (2)	**171**	**2.85**	**-**	**1.05**
Germany	2,368	9.70	17.36	14.52
United Kingdom	1,672	5.93	12.26	10.25
United States	1,233	1.30	9.04	7.56
France	995	5.31	7.29	6.10
Canada	730	6.04	5.35	4.47
Switzerland	727	7.53	5.33	4.46
Italy	715	6.85	5.24	4.38
Belgium	653	8.08	4.79	4.00
Netherlands	615	8.42	4.51	3.77
Austria	544	9.73	3.99	3.34

Importer	Value (c.i.f. in millions of $)	2005 As % of country total	2005 As % of total for developed economies	2005 As % of world total
Graphic				
World	**17,449**	**4.97**	**-**	**100.00**
Developed economies (1)	**13,810**	**4.89**	**-**	**79.15**
Developing economies	**2,644**	**4.35**	**-**	**15.15**
Economies in transition (2)	**750**	**12.54**	**-**	**4.30**
United States	5,214	5.49	37.76	29.88
France	1,415	7.56	10.25	8.11
Germany	1,087	4.45	7.87	6.23
Japan	942	5.07	6.82	5.40
United Kingdom	924	3.27	6.69	5.29
Belgium	396	4.90	2.87	2.27
Switzerland	359	3.72	2.60	2.06
Canada	313	2.59	2.27	1.80
Australia	286	5.23	2.07	1.64
Greece	280	10.38	2.03	1.61
Glassware				
World	**5,524**	**1.57**	**-**	**100.00**
Developed economies (1)	**4,425**	**1.57**	**-**	**80.10**
Developing economies	**892**	**1.47**	**-**	**16.16**
Economies in transition (2)	**168**	**2.82**	**-**	**3.04**
United States	1,006	1.06	22.73	18.21
Germany	478	1.96	10.80	8.65
United Kingdom	340	1.21	7.69	6.16
France	302	1.62	6.83	5.47
Italy	259	2.48	5.85	4.68
Canada	229	1.89	5.18	4.15
Spain	217	2.44	4.90	3.93
Japan	216	1.16	4.87	3.90
Switzerland	171	1.77	3.87	3.10
Netherlands	151	2.06	3.41	2.73
Jewellery				
World	**31,254**	**8.91**	**-**	**100.00**
Developed economies (1)	**24,549**	**8.69**	**-**	**78.55**
Developing economies	**6,483**	**10.67**	**-**	**20.74**
Economies in transition (2)	**213**	**3.56**	**-**	**0.68**
United States	9,858	10.37	40.16	31.54
United Kingdom	3,732	13.23	15.20	11.94
Japan	1,885	10.14	7.68	6.03
Switzerland	1,675	17.35	6.82	5.36
France	1,444	7.71	5.88	4.62
Germany	1,219	4.99	4.97	3.90
Italy	833	7.97	3.39	2.66
Canada	599	4.95	2.44	1.92
Spain	575	6.46	2.34	1.84
Australia	478	8.73	1.95	1.53
MUSIC				
World	**16,419**	**4.68**	**-**	**100.00**
Developed economies (1)	**13,737**	**4.86**	**-**	**83.66**
Developing economies	**2,413**	**3.97**	**-**	**14.70**
Economies in transition (2)	**171**	**2.86**	**-**	**1.04**
Germany	2,376	9.73	17.30	14.47
United Kingdom	1,689	5.99	12.30	10.29
United States	1,244	1.31	9.05	7.57
France	1,003	5.36	7.30	6.11
Canada	742	6.14	5.40	4.52
Switzerland	732	7.58	5.33	4.46
Italy	719	6.88	5.23	4.38
Belgium	655	8.11	4.77	3.99
Netherlands	618	8.46	4.50	3.77
Austria	553	9.88	4.02	3.37
Printed				
World	**107**	**0.03**	**-**	**100.00**
Developed economies (1)	**97**	**0.03**	**-**	**90.69**
Developing economies	**10**	**0.02**	**-**	**9.10**
Economies in transition (2)	**0**	**0.00**	**-**	**0.21**
United Kingdom	17	0.06	17.42	15.79
Canada	13	0.10	12.88	11.68
United States	11	0.01	10.80	9.80
Austria	8	0.15	8.43	7.64
Germany	8	0.03	8.30	7.52
France	8	0.04	8.17	7.41
Japan	7	0.04	6.91	6.27
Switzerland	5	0.05	4.93	4.47
Australia	5	0.08	4.69	4.26
Italy	4	0.03	3.73	3.38

TABLE

1.4.2.B CREATIVE GOODS: TOP 10 IMPORTERS AMONG DEVELOPED ECONOMIES, BY PRODUCT GROUP, 2005

CONTINUED

Importer	Value (c.i.f. in millions of $)	2005 As % of country total	2005 As % of total for developed economies	2005 As % of world total
NEW MEDIA				
World	**13,402**	**3.82**	**-**	**100.00**
Developed economies (1)	**10,718**	**3.79**	**-**	**79.97**
Developing economies	**2,465**	**4.06**	**-**	**18.39**
Economies in transition (2)	**187**	**3.12**	**-**	**1.39**
United States	3,183	3.35	29.70	23.75
Germany	1,084	4.44	10.11	8.09
United Kingdom	905	3.21	8.44	6.75
Canada	845	6.98	7.88	6.30
Italy	680	6.51	6.35	5.08
Japan	581	3.12	5.42	4.33
France	521	2.78	4.86	3.88
Spain	510	5.72	4.76	3.80
Austria	361	6.45	3.37	2.69
Netherlands	359	4.91	3.35	2.68
Video games				
World	**10,966**	**3.13**	**-**	**100.00**
Developed economies (1)	**8,853**	**3.12**	**-**	**80.73**
Developing economies	**1,905**	**3.13**	**-**	**17.37**
Economies in transition (2)	**177**	**2.96**	**-**	**1.61**
United States	3,100	3.26	35.01	28.27
Germany	900	3.68	10.16	8.20
Canada	791	6.54	8.93	7.21
United Kingdom	701	2.49	7.92	6.40
Japan	563	3.03	6.35	5.13
Spain	454	5.10	5.13	4.14
France	353	1.89	3.99	3.22
Austria	308	5.51	3.48	2.81
Netherlands	266	3.64	3.00	2.42
Australia	182	3.33	2.06	1.66
Books				
World	**13,836**	**3.94**	**-**	**100.00**
Developed economies (1)	**10,305**	**3.65**	**-**	**74.48**
Developing economies	**3,266**	**5.37**	**-**	**23.60**
Economies in transition (2)	**234**	**3.91**	**-**	**1.69**
United States	2,390	2.52	23.20	17.28
United Kingdom	1,241	4.40	12.04	8.97
Canada	1,187	9.81	11.51	8.58
France	717	3.83	6.96	5.18
Germany	632	2.59	6.13	4.57
Switzerland	545	5.64	5.29	3.94
Austria	463	8.27	4.49	3.34
Belgium	431	5.34	4.18	3.12
Australia	414	7.57	4.02	2.99
Japan	312	1.68	3.03	2.25
Other publishing				
World	**14,866**	**4.24**	**-**	**100.00**
Developed economies (1)	**11,027**	**3.90**	**-**	**74.17**
Developing economies	**3,372**	**5.55**	**-**	**22.68**
Economies in transition (2)	**373**	**6.24**	**-**	**2.51**
United States	2,122	2.23	19.24	14.27
United Kingdom	1,197	4.24	10.85	8.05
Germany	1,139	4.67	10.33	7.66
France	1,012	5.40	9.17	6.80
Switzerland	707	7.32	6.41	4.75
Canada	647	5.35	5.87	4.36
Czech Republic	555	21.99	5.03	3.73
Netherlands	421	5.76	3.82	2.83
Japan	420	2.26	3.81	2.83
Belgium	418	5.18	3.79	2.81
Painting				
World	**963**	**0.27**	**-**	**100.00**
Developed economies (1)	**870**	**0.31**	**-**	**90.38**
Developing economies	**85**	**0.14**	**-**	**8.81**
Economies in transition (2)	**7**	**0.10**	**-**	**0.69**
United States	445	0.47	51.18	46.25
Germany	61	0.25	6.97	6.30
Japan	49	0.26	5.59	5.05
United Kingdom	46	0.16	5.34	4.83
France	44	0.24	5.11	4.62
Canada	40	0.33	4.65	4.21
Belgium	30	0.37	3.43	3.10
Spain	22	0.24	2.50	2.26
Netherlands	18	0.24	2.04	1.85
Sweden	15	0.43	1.73	1.56

Importer	Value (c.i.f. in millions of $)	2005 As % of country total	2005 As % of total for developed economies	2005 As % of world total
Digital records				
World	**2,436**	**0.69**	**-**	**100.00**
Developed economies (1)	**1,865**	**0.66**	**-**	**76.53**
Developing economies	**560**	**0.92**	**-**	**23.00**
Economies in transition (2)	**10**	**0.15**	**-**	**0.39**
Italy	518	4.96	27.77	21.25
United Kingdom	203	0.72	10.90	8.34
Germany	184	0.75	9.88	7.56
France	167	0.89	8.97	6.86
Greece	122	4.53	6.56	5.02
Netherlands	93	1.27	4.98	3.81
United States	84	0.09	4.49	3.43
Belgium	66	0.81	3.51	2.69
Spain	56	0.62	2.98	2.28
Canada	54	0.44	2.88	2.21
PUBLISHING				
World	**45,783**	**13.05**	**-**	**100.00**
Developed economies (1)	**34,740**	**12.29**	**-**	**75.88**
Developing economies	**9,735**	**16.02**	**-**	**21.26**
Economies in transition (2)	**1,124**	**18.80**	**-**	**2.46**
United States	8,134	8.56	23.41	17.77
United Kingdom	3,669	13.01	10.56	8.01
Germany	3,008	12.32	8.66	6.57
Canada	2,839	23.47	8.17	6.20
France	2,638	14.09	7.59	5.76
Switzerland	1,716	17.78	4.94	3.75
Belgium	1,378	17.06	3.97	3.01
Japan	1,112	5.98	3.20	2.43
Italy	1,088	10.41	3.13	2.38
Netherlands	1,017	13.91	2.93	2.22
Newspapers				
World	**17,081**	**4.87**	**-**	**100.00**
Developed economies (1)	**13,409**	**4.75**	**-**	**78.50**
Developing economies	**3,098**	**5.10**	**-**	**18.13**
Economies in transition (2)	**518**	**8.66**	**-**	**3.03**
United States	3,621	3.81	27.01	21.20
Germany	1,237	5.06	9.22	7.24
United Kingdom	1,231	4.36	9.18	7.21
Canada	1,005	8.31	7.49	5.88
France	910	4.86	6.78	5.32
Italy	639	6.12	4.77	3.74
Belgium	528	6.54	3.94	3.09
Spain	514	5.77	3.83	3.01
Switzerland	465	4.81	3.47	2.72
Australia	402	7.34	3.00	2.35
VISUAL ARTS				
World	**21,111**	**6.02**	**-**	**100.00**
Developed economies (1)	**18,610**	**6.59**	**-**	**88.16**
Developing economies	**2,382**	**3.92**	**-**	**11.28**
Economies in transition (2)	**102**	**1.71**	**-**	**0.48**
United States	7,902	8.32	42.46	37.43
United Kingdom	3,645	12.92	19.58	17.26
Switzerland	1,575	16.31	8.46	7.46
Germany	966	3.96	5.19	4.57
France	770	4.11	4.14	3.65
Japan	704	3.79	3.78	3.34
Spain	449	5.05	2.41	2.13
Canada	413	3.42	2.22	1.96
Netherlands	353	4.83	1.90	1.67
Italy	330	3.16	1.77	1.56
Photography				
World	**1,674**	**0.48**	**-**	**100.00**
Developed economies (1)	**851**	**0.30**	**-**	**50.82**
Developing economies	**815**	**1.34**	**-**	**48.70**
Economies in transition (2)	**7**	**0.10**	**-**	**0.41**
United States	332	0.35	39.06	19.85
France	102	0.54	11.98	6.09
Germany	93	0.38	10.98	5.58
Japan	66	0.35	7.72	3.92
United Kingdom	49	0.18	5.81	2.95
Netherlands	28	0.38	3.30	1.68
Canada	22	0.18	2.55	1.30
Belgium	17	0.21	1.96	1.00
Italy	17	0.16	1.95	0.99
Israel	15	1.36	1.80	0.91

TABLE
1.4.2.B

Importer	Value (c.i.f. in millions of $)	2005 As % of country total	2005 As % of total for developed economies	2005 As % of world total
Sculpture				
World	**5,691**	**1.62**	**-**	**100.00**
Developed economies (1)	**4,814**	**1.70**	**-**	**84.59**
Developing economies	**795**	**1.31**	**-**	**13.97**
Economies in transition (2)	**68**	**1.14**	**-**	**1.20**
United States	1,718	1.81	35.69	30.19
Germany	491	2.01	10.20	8.63
Japan	320	1.72	6.65	5.62
France	307	1.64	6.37	5.39
United Kingdom	296	1.05	6.15	5.20
Netherlands	211	2.89	4.38	3.71
Italy	205	1.96	4.25	3.60
Spain	183	2.05	3.79	3.21
Belgium	176	2.18	3.66	3.09
Canada	142	1.17	2.94	2.49
Other visual arts				
World	**10,166**	**2.90**	**-**	**100.00**
Developed economies (1)	**9,628**	**3.41**	**-**	**94.70**
Developing economies	**519**	**0.85**	**-**	**5.10**
Economies in transition (2)	**20**	**0.33**	**-**	**0.19**
United States	3,900	4.10	40.51	38.36
United Kingdom	2,670	9.46	27.73	26.26
Switzerland	1,364	14.13	14.17	13.42
Germany	296	1.21	3.07	2.91
France	252	1.35	2.62	2.48
Spain	219	2.46	2.28	2.16
Japan	219	1.18	2.27	2.15
Canada	188	1.56	1.96	1.85
Australia	88	1.61	0.92	0.87
Netherlands	88	1.20	0.91	0.86

Importer	Value (c.i.f. in millions of $)	2005 As % of country total	2005 As % of total for developed economies	2005 As % of world total
Antiques				
World	**2,617**	**0.75**	**-**	**100.00**
Developed economies (1)	**2,448**	**0.87**	**-**	**93.55**
Developing economies	**168**	**0.28**	**-**	**6.42**
Economies in transition (2)	**1**	**0.01**	**-**	**0.03**
United States	1,506	1.59	61.53	57.56
United Kingdom	583	2.07	23.82	22.28
Switzerland	84	0.87	3.43	3.21
France	65	0.35	2.64	2.47
Japan	51	0.27	2.08	1.94
Australia	27	0.50	1.11	1.04
Belgium	26	0.32	1.07	1.00
Germany	25	0.10	1.01	0.94
Canada	21	0.17	0.86	0.80
Austria	13	0.23	0.53	0.50

SOURCE: UNCTAD secretariat calculations based on United Nations Comtrade database data.

NOTES: (1) Developed economies, including Bulgaria and Romania.

(2) Excluding Bulgaria and Romania, which are included in the European Union (EU-27).

TABLE

1.4.3.A CREATIVE GOODS: TOP 10 EXPORTERS AMONG DEVELOPING ECONOMIES, BY PRODUCT GROUP, 2005

Exporter	Value (f.o.b. in millions of $)	2005 As % of country total	2005 As % of total for developing economies	2005 As % of world total
ALL CREATIVE INDUSTRIES				
World	**335,494**	**100.00**	**-**	**100.00**
Developed economies (1)	**196,109**	**100.00**	**-**	**58.45**
Developing economies	**136,231**	**100.00**	**-**	**40.61**
Economies in transition (2)	**3,154**	**100.00**	**-**	**0.94**
China	61,360	100.00	45.04	18.29
China, SAR of Hong Kong	27,677	100.00	20.32	8.25
India	8,155	100.00	5.99	2.43
Turkey	5,081	100.00	3.73	1.51
Thailand	4,323	100.00	3.17	1.29
Mexico	4,271	100.00	3.13	1.27
Malaysia	3,233	100.00	2.37	0.96
Singapore	3,067	100.00	2.25	0.91
Republic of Korea	2,942	100.00	2.16	0.88
Indonesia	2,833	100.00	2.08	0.84
Carpets				
World	**4,071**	**1.21**	**-**	**100.00**
Developed economies (1)	**1,577**	**0.81**	**-**	**38.74**
Developing economies	**2,452**	**1.80**	**-**	**60.24**
Economies in transition (2)	**30**	**1.51**	**-**	**0.74**
India	756	9.27	30.81	18.56
Iran (Islamic Republic of)	599	63.54	24.43	14.72
China	378	0.62	15.39	9.27
Pakistan	287	18.13	11.69	7.04
Turkey	238	4.68	9.70	5.84
Saudi Arabia	72	18.19	2.94	1.77
Morocco	20	9.42	0.81	0.49
Indonesia	16	0.55	0.64	0.39
South Africa	12	2.30	0.48	0.29
Brazil	11	0.51	0.46	0.28
Paperware				
World	**62**	**0.02**	**-**	**100.00**
Developed economies (1)	**30**	**0.02**	**-**	**48.27**
Developing economies	**32**	**0.02**	**-**	**51.69**
Economies in transition (2)	**0**	**0.00**	**-**	**0.01**
India	18	0.21	54.99	28.42
China	3	0.01	10.35	5.35
China, Taiwan Province of	3	0.10	8.08	4.18
Saudi Arabia	2	0.51	6.36	3.29
Thailand	2	0.04	5.00	2.58
Qatar	2	7.70	4.84	2.50
Republic of Korea	1	0.03	3.07	1.59
Philippines	0	0.05	1.40	0.72
Indonesia	0	0.01	1.33	0.69
Jordan	0	0.15	1.24	0.64
Yarn				
World	**4,808**	**1.43**	**-**	**100.00**
Developed economies (1)	**1,692**	**0.87**	**-**	**35.18**
Developing economies	**3,048**	**2.24**	**-**	**63.38**
Economies in transition (2)	**8**	**1.22**	**-**	**0.17**
China	1,438	2.34	47.17	29.90
Turkey	469	9.22	15.38	9.75
Pakistan	334	21.14	10.97	6.95
Republic of Korea	246	8.36	8.07	5.12
India	126	1.54	4.12	2.61
China, SAR of Hong Kong	106	0.38	3.47	2.20
Thailand	84	1.95	2.77	1.76
China, Taiwan Province of	54	2.04	1.76	1.11
Brazil	48	2.19	1.58	1.00
Mexico	43	1.02	1.42	0.90
AUDIOVISUALS				
World	**664**	**0.20**	**-**	**100.00**
Developed economies (1)	**592**	**0.30**	**-**	**89.20**
Developing economies	**55**	**0.04**	**-**	**8.25**
Economies in transition (2)	**2**	**0.16**	**-**	**0.35**
India	16	0.20	29.87	2.46
Mexico	11	0.25	19.68	1.62
Republic of Korea	10	0.33	17.77	1.47
Thailand	8	0.17	13.74	1.13
Argentina	5	1.21	8.67	0.72
China, SAR of Hong Kong	3	0.01	5.20	0.43
Chile	0	0.21	0.90	0.07
Turkey	0	0.01	0.90	0.07
South Africa	0	0.09	0.83	0.07
Singapore	0	0.01	0.51	0.04

Exporter	Value (f.o.b. in millions of $)	2005 As % of country total	2005 As % of total for developing economies	2005 As % of world total
ARTS AND CRAFTS				
World	**23,244**	**6.93**	**-**	**100.00**
Developed economies (1)	**9,118**	**4.69**	**-**	**39.23**
Developing economies	**13,881**	**10.19**	**-**	**59.72**
Economies in transition (2)	**137**	**7.74**	**-**	**0.59**
China	5,602	9.13	40.36	24.10
China, SAR of Hong Kong	2,266	8.19	16.33	9.75
India	1,063	13.04	7.66	4.57
Turkey	951	18.72	6.85	4.09
Pakistan	626	39.59	4.51	2.69
Iran (Islamic Republic of)	621	65.81	4.47	2.67
Indonesia	387	13.67	2.79	1.67
Thailand	301	6.97	2.17	1.30
Republic of Korea	286	9.73	2.06	1.23
Malaysia	265	8.21	1.91	1.14
Celebration				
World	**3,118**	**0.93**	**-**	**100.00**
Developed economies (1)	**867**	**0.45**	**-**	**27.79**
Developing economies	**2,234**	**1.64**	**-**	**71.65**
Economies in transition (2)	**9**	**1.56**	**-**	**0.29**
China	1,221	1.99	54.63	39.14
China, SAR of Hong Kong	726	2.62	32.50	23.28
China, Taiwan Province of	73	2.77	3.25	2.33
Thailand	58	1.33	2.58	1.85
Philippines	57	6.32	2.56	1.84
Mexico	52	1.22	2.33	1.67
Guatemala	13	6.28	0.56	0.40
India	8	0.09	0.34	0.24
Indonesia	6	0.22	0.28	0.20
Sri Lanka	3	1.61	0.13	0.10
Wickerware				
World	**1,640**	**0.49**	**-**	**100.00**
Developed economies (1)	**256**	**0.13**	**-**	**15.59**
Developing economies	**1,374**	**1.01**	**-**	**83.82**
Economies in transition (2)	**7**	**0.46**	**-**	**0.41**
China	1,125	1.83	81.86	68.61
Philippines	95	10.53	6.93	5.81
Indonesia	61	2.15	4.43	3.71
China, SAR of Hong Kong	40	0.14	2.88	2.41
Thailand	11	0.25	0.79	0.66
China, Taiwan Province of	9	0.35	0.66	0.56
Madagascar	7	15.11	0.49	0.41
Morocco	4	1.98	0.30	0.25
South Africa	4	0.75	0.28	0.23
Republic of Korea	4	0.13	0.28	0.23
Other arts and crafts				
World	**9,546**	**2.85**	**-**	**100.00**
Developed economies (1)	**4,698**	**2.42**	**-**	**49.21**
Developing economies	**4,741**	**3.48**	**-**	**49.66**
Economies in transition (2)	**83**	**2.95**	**-**	**0.87**
China	1,438	2.34	30.32	15.06
China, SAR of Hong Kong	1,384	5.00	29.20	14.50
Indonesia	281	9.92	5.93	2.94
Malaysia	254	7.85	5.35	2.66
Turkey	243	4.79	5.14	2.55
India	155	1.90	3.26	1.62
Thailand	137	3.17	2.89	1.44
Mexico	116	2.72	2.45	1.22
Brazil	81	3.72	1.72	0.85
Ghana	80	38.50	1.70	0.84
Film				
World	**664**	**0.20**	**-**	**100.00**
Developed economies (1)	**592**	**0.30**	**-**	**89.20**
Developing economies	**55**	**0.04**	**-**	**8.25**
Economies in transition (2)	**2**	**0.16**	**-**	**0.35**
India	16	0.20	29.87	2.46
Mexico	11	0.25	19.68	1.62
Republic of Korea	10	0.33	17.77	1.47
Thailand	8	0.17	13.74	1.13
Argentina	5	1.21	8.67	0.72
China, SAR of Hong Kong	3	0.01	5.20	0.43
Chile	0	0.21	0.90	0.07
Turkey	0	0.01	0.90	0.07
South Africa	0	0.09	0.83	0.07
Singapore	0	0.01	0.51	0.04

TABLE

1.4.3.A

Exporter	Value (f.o.b. in millions of $)	2005 As % of country total	2005 As % of total for developing economies	2005 As % of world total
DESIGN				
World	**218,173**	**65.03**	**-**	**100.00**
Developed economies (1)	**112,595**	**57.91**	**-**	**51.61**
Developing economies	**102,413**	**75.18**	**-**	**46.94**
Economies in transition (2)	**1,735**	**64.16**	**-**	**0.80**
China	47,078	76.72	45.97	21.58
China, SAR of Hong Kong	21,817	78.83	21.30	10.00
India	6,192	75.93	6.05	2.84
Turkey	4,036	79.44	3.94	1.85
Thailand	3,673	84.96	3.59	1.68
Mexico	3,109	72.81	3.04	1.43
Malaysia	2,640	81.66	2.58	1.21
Indonesia	2,075	73.23	2.03	0.95
Brazil	1,939	88.42	1.89	0.89
China, Taiwan Province of	1,858	70.88	1.81	0.85
Fashion				
World	**60,100**	**17.91**	**-**	**100.00**
Developed economies (1)	**27,825**	**14.31**	**-**	**46.30**
Developing economies	**31,864**	**23.39**	**-**	**53.02**
Economies in transition (2)	**161**	**17.65**	**-**	**0.27**
China	17,524	28.56	55.00	29.16
China, SAR of Hong Kong	7,845	28.34	24.62	13.05
India	1,523	18.67	4.78	2.53
Pakistan	767	48.54	2.41	1.28
Singapore	757	24.66	2.37	1.26
Republic of Korea	584	19.84	1.83	0.97
Turkey	542	10.67	1.70	0.90
China, Taiwan Province of	424	16.15	1.33	0.70
Thailand	359	8.29	1.13	0.60
Indonesia	277	9.79	0.87	0.46
Interior				
World	**66,597**	**19.85**	**-**	**100.00**
Developed economies (1)	**38,235**	**19.66**	**-**	**57.41**
Developing economies	**26,558**	**19.49**	**-**	**39.88**
Economies in transition (2)	**820**	**19.73**	**-**	**1.23**
China	14,525	23.67	54.69	21.81
Mexico	1,481	34.69	5.58	2.22
Malaysia	1,365	42.21	5.14	2.05
Indonesia	1,317	46.51	4.96	1.98
China, SAR of Hong Kong	1,303	4.71	4.91	1.96
Thailand	1,137	26.30	4.28	1.71
Turkey	1,061	20.89	4.00	1.59
China, Taiwan Province of	891	33.98	3.35	1.34
Brazil	857	39.11	3.23	1.29
India	703	8.62	2.65	1.06
Toys				
World	**30,425**	**9.07**	**-**	**100.00**
Developed economies (1)	**10,941**	**5.63**	**-**	**35.96**
Developing economies	**19,350**	**14.20**	**-**	**63.60**
Economies in transition (2)	**40**	**10.77**	**-**	**0.13**
China	9,490	15.47	49.05	31.19
China, SAR of Hong Kong	8,293	29.96	42.86	27.26
China, Taiwan Province of	358	13.67	1.85	1.18
Mexico	346	8.11	1.79	1.14
Thailand	199	4.61	1.03	0.66
Republic of Korea	186	6.32	0.96	0.61
Indonesia	147	5.17	0.76	0.48
Malaysia	119	3.68	0.61	0.39
Singapore	55	1.81	0.29	0.18
Brazil	20	0.92	0.10	0.07
Records				
World	**14,805**	**4.41**	**-**	**100.00**
Developed economies (1)	**13,308**	**6.84**	**-**	**89.89**
Developing economies	**1,409**	**1.03**	**-**	**9.51**
Economies in transition (2)	**63**	**3.06**	**-**	**0.43**
Mexico	249	5.84	17.70	1.68
China, Taiwan Province of	238	9.08	16.90	1.61
India	185	2.27	13.12	1.25
China, SAR of Hong Kong	178	0.64	12.64	1.20
China	135	0.22	9.61	0.91
Singapore	119	3.88	8.45	0.80
Malaysia	80	2.49	5.71	0.54
Republic of Korea	80	2.73	5.70	0.54
Argentina	34	8.65	2.42	0.23
Colombia	20	3.55	1.42	0.14

Exporter	Value (f.o.b. in millions of $)	2005 As % of country total	2005 As % of total for developing economies	2005 As % of world total
Graphic				
World	**16,422**	**4.89**	**-**	**100.00**
Developed economies (1)	**11,237**	**5.78**	**-**	**68.43**
Developing economies	**4,954**	**3.64**	**-**	**30.17**
Economies in transition (2)	**198**	**4.40**	**-**	**1.20**
China	1,865	3.04	37.65	11.36
Turkey	942	18.55	19.02	5.74
Brazil	852	38.87	17.20	5.19
Mexico	370	8.67	7.48	2.26
Indonesia	130	4.60	2.63	0.79
India	121	1.49	2.45	0.74
Thailand	107	2.48	2.17	0.65
Malaysia	92	2.83	1.85	0.56
Iran (Islamic Republic of)	67	7.15	1.36	0.41
Argentina	57	14.48	1.15	0.35
Glassware				
World	**6,016**	**1.79**	**-**	**100.00**
Developed economies (1)	**4,175**	**2.15**	**-**	**69.39**
Developing economies	**1,737**	**1.28**	**-**	**28.87**
Economies in transition (2)	**42**	**2.00**	**-**	**0.69**
China	854	1.39	49.18	14.20
Turkey	304	5.99	17.52	5.06
Indonesia	105	3.72	6.07	1.75
China, SAR of Hong Kong	90	0.32	5.16	1.49
Thailand	61	1.42	3.53	1.02
Brazil	59	2.70	3.41	0.99
Malaysia	58	1.79	3.34	0.96
Mexico	54	1.26	3.10	0.89
Iran (Islamic Republic of)	31	3.33	1.81	0.52
China, Taiwan Province of	28	1.06	1.59	0.46
Jewellery				
World	**38,612**	**11.51**	**-**	**100.00**
Developed economies (1)	**20,183**	**10.38**	**-**	**52.27**
Developing economies	**17,951**	**13.18**	**-**	**46.49**
Economies in transition (2)	**475**	**9.60**	**-**	**1.23**
China, SAR of Hong Kong	4,275	15.45	23.82	11.07
India	3,821	46.86	21.29	9.90
China	2,819	4.59	15.71	7.30
Thailand	1,809	41.86	10.08	4.69
Turkey	1,170	23.03	6.52	3.03
Malaysia	954	29.52	5.32	2.47
Singapore	664	21.66	3.70	1.72
Mexico	600	14.05	3.34	1.55
Republic of Korea	547	18.60	3.05	1.42
Jordan	175	66.21	0.97	0.45
MUSIC				
World	**14,924**	**4.45**	**-**	**100.00**
Developed economies (1)	**13,424**	**6.90**	**-**	**89.94**
Developing economies	**1,412**	**1.04**	**-**	**9.46**
Economies in transition (2)	**63**	**3.09**	**-**	**0.42**
Mexico	249	5.84	17.66	1.67
China, Taiwan Province of	238	9.08	16.86	1.60
India	185	2.27	13.09	1.24
China, SAR of Hong Kong	181	0.65	12.82	1.21
China	135	0.22	9.59	0.91
Singapore	119	3.88	8.43	0.80
Malaysia	81	2.49	5.70	0.54
Republic of Korea	80	2.73	5.69	0.54
Argentina	34	8.66	2.42	0.23
Colombia	20	3.56	1.43	0.14
Printed				
World	**119**	**0.04**	**-**	**100.00**
Developed economies (1)	**116**	**0.06**	**-**	**96.89**
Developing economies	**4**	**0.00**	**-**	**3.01**
Economies in transition (2)	**0**	**0.00**	**-**	**0.10**
China, SAR of Hong Kong	3	0.01	80.53	2.43
Malaysia	0	0.00	3.99	0.12
Colombia	0	0.01	2.31	0.07
China, Taiwan Province of	0	0.00	1.74	0.05
Mexico	0	0.00	1.70	0.05
Singapore	0	0.00	1.59	0.05
South Africa	0	0.01	1.57	0.05
Argentina	0	0.01	1.41	0.04
China	0	0.00	1.34	0.04
Thailand	0	0.00	1.02	0.03

TABLE

1.4.3.A CREATIVE GOODS: TOP 10 EXPORTERS AMONG DEVELOPING ECONOMIES, BY PRODUCT GROUP, 2005

CONTINUED

Exporter	Value (f.o.b. in millions of $)	2005 As % of country total	2005 As % of total for developing economies	2005 As % of world total
NEW MEDIA				
World	**12,035**	**3.59**	**-**	**100.00**
Developed economies (1)	**6,471**	**3.33**	**-**	**53.77**
Developing economies	**5,508**	**4.04**	**-**	**45.77**
Economies in transition (2)	**50**	**3.03**	**-**	**0.41**
China	3,940	6.42	71.54	32.74
China, SAR of Hong Kong	1,020	3.68	18.52	8.47
Singapore	193	6.29	3.50	1.60
Republic of Korea	100	3.39	1.81	0.83
China, Taiwan Province of	77	2.95	1.40	0.64
Mexico	65	1.52	1.18	0.54
India	46	0.56	0.83	0.38
Thailand	15	0.34	0.27	0.12
Turkey	9	0.18	0.17	0.08
Malaysia	8	0.24	0.14	0.06
Video games				
World	**9,752**	**2.91**	**-**	**100.00**
Developed economies (1)	**4,426**	**2.28**	**-**	**45.38**
Developing economies	**5,278**	**3.87**	**-**	**54.12**
Economies in transition (2)	**44**	**1.95**	**-**	**0.45**
China	3,916	6.38	74.20	40.15
China, SAR of Hong Kong	1,020	3.68	19.32	10.46
Singapore	159	5.18	3.01	1.63
China, Taiwan Province of	68	2.60	1.29	0.70
Mexico	65	1.52	1.23	0.67
Republic of Korea	13	0.45	0.25	0.14
Thailand	10	0.23	0.19	0.10
Indonesia	6	0.22	0.12	0.07
Colombia	4	0.76	0.08	0.04
South Africa	4	0.79	0.08	0.04
Books				
World	**12,881**	**3.84**	**-**	**100.00**
Developed economies (1)	**9,707**	**4.99**	**-**	**75.36**
Developing economies	**2,965**	**2.18**	**-**	**23.02**
Economies in transition (2)	**203**	**4.30**	**-**	**1.58**
China, SAR of Hong Kong	1,104	3.99	37.25	8.57
China	680	1.11	22.94	5.28
Singapore	442	14.43	14.92	3.43
Mexico	140	3.27	4.71	1.08
Colombia	121	21.37	4.08	0.94
Malaysia	107	3.31	3.61	0.83
Republic of Korea	81	2.75	2.73	0.63
Argentina	39	9.84	1.31	0.30
Thailand	36	0.82	1.20	0.28
China, Taiwan Province of	30	1.14	1.01	0.23
Other publishing				
World	**16,099**	**4.80**	**-**	**100.00**
Developed economies (1)	**13,257**	**6.82**	**-**	**82.35**
Developing economies	**2,641**	**1.94**	**-**	**16.41**
Economies in transition (2)	**184**	**4.50**	**-**	**1.14**
China	447	0.73	16.94	2.78
Singapore	431	14.06	16.33	2.68
China, SAR of Hong Kong	411	1.48	15.55	2.55
Mexico	242	5.67	9.17	1.51
Namibia	215	90.08	8.15	1.34
India	129	1.58	4.88	0.80
South Africa	105	20.57	3.96	0.65
Republic of Korea	103	3.49	3.89	0.64
Thailand	74	1.70	2.79	0.46
Malaysia	66	2.03	2.48	0.41
Painting				
World	**955**	**0.28**	**-**	**100.00**
Developed economies (1)	**245**	**0.13**	**-**	**25.70**
Developing economies	**688**	**0.50**	**-**	**72.03**
Economies in transition (2)	**2**	**0.35**	**-**	**0.25**
China	305	0.50	44.40	31.98
Thailand	94	2.17	13.64	9.83
Indonesia	83	2.92	12.02	8.66
China, SAR of Hong Kong	63	0.23	9.23	6.65
Mexico	57	1.35	8.36	6.02
Malaysia	34	1.04	4.87	3.51
Brazil	24	1.09	3.48	2.51
China, Taiwan Province of	12	0.46	1.74	1.26
India	4	0.05	0.57	0.41
Morocco	3	1.40	0.43	0.31

Exporter	Value (f.o.b. in millions of $)	2005 As % of country total	2005 As % of total for developing economies	2005 As % of world total
Digital records				
World	**2,282**	**0.68**	**-**	**100.00**
Developed economies (1)	**2,046**	**1.05**	**-**	**89.64**
Developing economies	**230**	**0.17**	**-**	**10.09**
Economies in transition (2)	**6**	**0.13**	**-**	**0.27**
Republic of Korea	86	2.94	37.52	3.79
India	44	0.54	19.13	1.93
Singapore	34	1.11	14.81	1.49
China	24	0.04	10.61	1.07
Turkey	9	0.18	3.97	0.40
China, Taiwan Province of	9	0.35	3.95	0.40
Pakistan	5	0.30	2.07	0.21
Thailand	5	0.11	2.07	0.21
Malaysia	5	0.15	2.05	0.21
Philippines	3	0.35	1.37	0.14
PUBLISHING				
World	**44,304**	**13.21**	**-**	**100.00**
Developed economies (1)	**36,593**	**18.82**	**-**	**82.60**
Developing economies	**6,567**	**4.82**	**-**	**14.82**
Economies in transition (2)	**1,096**	**14.59**	**-**	**2.47**
China, SAR of Hong Kong	1,552	5.61	23.63	3.50
China	1,146	1.87	17.45	2.59
Singapore	932	30.38	14.19	2.10
Republic of Korea	487	16.55	7.42	1.10
Mexico	417	9.77	6.35	0.94
Namibia	216	90.21	3.28	0.49
Malaysia	190	5.88	2.90	0.43
Indonesia	175	6.19	2.67	0.40
Chile	172	73.53	2.61	0.39
Colombia	169	29.95	2.58	0.38
Newpapers				
World	**15,324**	**4.57**	**-**	**100.00**
Developed economies (1)	**13,629**	**7.01**	**-**	**88.94**
Developing economies	**961**	**0.71**	**-**	**6.27**
Economies in transition (2)	**709**	**5.79**	**-**	**4.62**
Republic of Korea	303	10.31	31.56	1.98
Chile	137	58.82	14.29	0.90
Indonesia	136	4.79	14.12	0.89
Philippines	67	7.37	6.95	0.44
Singapore	58	1.90	6.07	0.38
South Africa	38	7.48	3.96	0.25
China, SAR of Hong Kong	37	0.13	3.85	0.24
Mexico	35	0.83	3.68	0.23
Colombia	24	4.21	2.48	0.16
China	18	0.03	1.90	0.12
VISUAL ARTS				
World	**22,149**	**6.60**	**-**	**100.00**
Developed economies (1)	**15,651**	**8.05**	**-**	**70.66**
Developing economies	**6,395**	**4.69**	**-**	**28.87**
Economies in transition (2)	**71**	**7.22**	**-**	**0.32**
China	3,459	5.64	54.09	15.62
China, SAR of Hong Kong	839	3.03	13.11	3.79
India	503	6.17	7.87	2.27
Republic of Korea	262	8.90	4.10	1.18
Mexico	198	4.63	3.09	0.89
Thailand	189	4.36	2.95	0.85
Indonesia	182	6.44	2.85	0.82
China, Taiwan Province of	180	6.86	2.81	0.81
Ghana	109	52.40	1.71	0.49
Philippines	107	11.86	1.68	0.48
Photography				
World	**1,494**	**0.45**	**-**	**100.00**
Developed economies (1)	**979**	**0.50**	**-**	**65.52**
Developing economies	**514**	**0.38**	**-**	**34.39**
Economies in transition (2)	**0**	**0.39**	**-**	**0.03**
China, SAR of Hong Kong	160	0.58	31.23	10.74
China	139	0.23	27.07	9.31
China, Taiwan Province of	108	4.13	21.09	7.25
Republic of Korea	54	1.85	10.57	3.64
Singapore	28	0.92	5.46	1.88
Mexico	7	0.16	1.36	0.47
Saudi Arabia	3	0.82	0.63	0.22
Indonesia	3	0.11	0.61	0.21
Malaysia	2	0.07	0.43	0.15
India	2	0.03	0.43	0.15

TABLE
1.4.3.A

Exporter	Value (f.o.b. in millions of $)	2005 As % of country total	2005 As % of total for developing economies	2005 As % of world total
Sculpture				
World	**6,078**	**1.81**	**-**	**100.00**
Developed economies (1)	**1,825**	**0.94**	**-**	**30.02**
Developing economies	**4,177**	**3.07**	**-**	**68.73**
Economies in transition (2)	**65**	**2.27**	**-**	**1.07**
China	2,972	4.84	71.15	48.90
China, SAR of Hong Kong	406	1.47	9.72	6.68
Mexico	124	2.90	2.96	2.04
Ghana	109	52.30	2.62	1.80
Philippines	102	11.21	2.43	1.67
Thailand	93	2.14	2.22	1.52
Indonesia	90	3.18	2.16	1.48
China, Taiwan Province of	58	2.21	1.38	0.95
Pakistan	39	2.44	0.92	0.64
India	38	0.47	0.91	0.63
Other visual arts				
World	**11,087**	**3.30**	**-**	**100.00**
Developed economies (1)	**10,250**	**5.27**	**-**	**92.45**
Developing economies	**833**	**0.61**	**-**	**7.52**
Economies in transition (2)	**3**	**3.30**	**-**	**0.03**
India	459	5.63	55.07	4.14
Republic of Korea	173	5.87	20.72	1.56
Singapore	50	1.61	5.94	0.45
China	40	0.07	4.80	0.36
China, SAR of Hong Kong	40	0.14	4.76	0.36
South Africa	16	3.25	1.98	0.15
Mexico	10	0.22	1.15	0.09
Malaysia	6	0.20	0.77	0.06
Indonesia	6	0.23	0.77	0.06
Brazil	6	0.25	0.66	0.05

Exporter	Value (f.o.b. in millions of $)	2005 As % of country total	2005 As % of total for developing economies	2005 As % of world total
Antiques				
World	**2,536**	**0.76**	**-**	**100.00**
Developed economies (1)	**2,352**	**1.21**	**-**	**92.77**
Developing economies	**183**	**0.13**	**-**	**7.21**
Economies in transition (2)	**0**	**0.01**	**-**	**0.02**
China, SAR of Hong Kong	169	0.61	92.51	6.67
Singapore	8	0.25	4.24	0.31
China	2	0.00	1.17	0.08
Saudi Arabia	1	0.23	0.50	0.04
Argentina	1	0.13	0.29	0.02
Republic of Korea	1	0.02	0.28	0.02
Peru	1	0.21	0.28	0.02
South Africa	0	0.07	0.19	0.01
Chile	0	0.10	0.13	0.01
China, Taiwan Province of	0	0.01	0.11	0.01

SOURCE: UNCTAD secretariat calculations based on United Nations Comtrade database data.

NOTES: (1) Developed economies, including Bulgaria and Romania.

(2) Excluding Bulgaria and Romania, which are included in the European Union (EU-27).

TABLE

1.4.3.B CREATIVE GOODS: TOP 10 IMPORTERS AMONG DEVELOPING ECONOMIES, BY PRODUCT GROUP, 2005

Importer	Value (c.i.f. in millions of $)	2005 As % of country total	2005 As % of total for developing economies	2005 As % of world total
ALL CREATIVE INDUSTRIES				
World	**350,884**	**100.00**	**-**	**100.00**
Developed economies (1)	**284,147**	**100.00**	**-**	**80.53**
Developing economies	**60,759**	**100.00**	**-**	**17.32**
Economies in transition (2)	**5,978**	**100.00**	**-**	**1.70**
China, SAR of Hong Kong	21,136	100.00	34.79	6.02
Mexico	4,616	100.00	7.60	1.32
Singapore	3,719	100.00	6.12	1.06
China	3,676	100.00	6.05	1.05
Republic of Korea	3,245	100.00	5.34	0.92
China, Taiwan Province of	2,382	100.00	3.92	0.68
Turkey	2,276	100.00	3.75	0.65
Saudi Arabia	1,957	100.00	3.22	0.56
India	1,638	100.00	2.70	0.47
South Africa	1,408	100.00	2.32	0.40
Carpets				
World	**4,033**	**1.15**	**-**	**100.00**
Developed economies (1)	**3,568**	**1.26**	**-**	**88.47**
Developing economies	**375**	**0.62**	**-**	**9.31**
Economies in transition (2)	**70**	**1.17**	**-**	**1.74**
Saudi Arabia	78	3.98	20.77	1.93
Turkey	77	3.37	20.41	1.90
South Africa	25	1.76	6.59	0.61
Singapore	18	0.49	4.89	0.46
China, SAR of Hong Kong	18	0.08	4.67	0.43
Qatar	16	3.41	4.36	0.41
Republic of Korea	15	0.45	3.90	0.36
Mexico	14	0.31	3.83	0.36
Chile	12	1.77	3.25	0.30
Malaysia	12	1.19	3.11	0.29
Paperware				
World	**118**	**0.03**	**-**	**100.00**
Developed economies (1)	**99**	**0.04**	**-**	**83.83**
Developing economies	**18**	**0.03**	**-**	**15.11**
Economies in transition (2)	**0**	**0.01**	**-**	**0.26**
Republic of Korea	2	0.08	13.65	2.06
Oman	2	0.89	12.81	1.94
India	2	0.12	10.75	1.62
Qatar	2	0.36	9.74	1.47
China	2	0.04	8.58	1.30
Saudi Arabia	1	0.07	7.34	1.11
China, SAR of Hong Kong	1	0.00	5.59	0.84
China, Taiwan Province of	1	0.04	4.88	0.74
Yemen	1	0.39	4.40	0.67
Tunisia	1	0.14	3.20	0.48
Yarn				
World	**3,884**	**1.11**	**-**	**100.00**
Developed economies (1)	**3,166**	**1.12**	**-**	**81.50**
Developing economies	**657**	**1.08**	**-**	**16.90**
Economies in transition (2)	**38**	**0.64**	**-**	**0.99**
Mexico	150	3.24	22.77	3.85
China, SAR of Hong Kong	93	0.44	14.15	2.39
China	55	1.50	8.38	1.42
Saudi Arabia	48	2.47	7.37	1.25
Turkey	44	1.95	6.74	1.14
Republic of Korea	32	1.00	4.92	0.83
Singapore	28	0.75	4.24	0.72
Morocco	22	5.01	3.35	0.57
Thailand	20	1.85	3.05	0.52
Malaysia	12	1.21	1.82	0.31
AUDIOVISUALS				
World	**650**	**0.19**	**-**	**100.00**
Developed economies (1)	**526**	**0.19**	**-**	**80.99**
Developing economies	**116**	**0.19**	**-**	**17.86**
Economies in transition (2)	**7**	**0.12**	**-**	**1.06**
Republic of Korea	60	1.84	51.46	9.19
Turkey	9	0.38	7.44	1.33
Mexico	5	0.10	4.10	0.73
India	4	0.25	3.58	0.64
China, Taiwan Province of	4	0.17	3.54	0.63
Thailand	4	0.37	3.43	0.61
South Africa	3	0.25	2.99	0.53
Indonesia	3	1.09	2.92	0.52
Chile	3	0.47	2.77	0.50
Venezuela (Bolivarian Republic of)	2	0.26	2.13	0.38

Importer	Value (c.i.f. in millions of $))	2005 As % of country total	2005 As % of total for developing economies	2005 As % of world total
ARTS AND CRAFTS				
World	**25,091**	**7.15**	**-**	**100.00**
Developed economies (1)	**20,174**	**7.14**	**-**	**80.40**
Developing economies	**4,390**	**7.23**	**-**	**17.50**
Economies in transition (2)	**421**	**7.05**	**-**	**1.68**
China, SAR of Hong Kong	1,677	7.94	38.21	6.68
China	400	10.88	9.11	1.59
Mexico	350	7.58	7.97	1.40
Turkey	231	10.17	5.27	0.92
Republic of Korea	205	6.31	4.66	0.82
Saudi Arabia	198	10.10	4.50	0.79
Singapore	106	2.86	2.42	0.42
South Africa	79	5.61	1.80	0.31
China, Taiwan Province of	71	2.96	1.61	0.28
Venezuela (Bolivarian Republic of)	62	6.48	1.42	0.25
Celebration				
World	**5,698**	**1.62**	**-**	**100.00**
Developed economies (1)	**5,045**	**1.79**	**-**	**88.54**
Developing economies	**591**	**0.97**	**-**	**10.37**
Economies in transition (2)	**54**	**0.90**	**-**	**0.95**
China, SAR of Hong Kong	372	1.76	62.95	6.53
Mexico	63	1.37	10.71	1.11
Colombia	16	3.65	2.76	0.29
Chile	12	1.72	2.00	0.21
Venezuela (Bolivarian Republic of)	11	1.09	1.78	0.18
Republic of Korea	10	0.31	1.71	0.18
Brazil	10	1.30	1.65	0.17
Singapore	9	0.26	1.61	0.17
Ecuador	8	2.15	1.33	0.14
China, Taiwan Province of	7	0.31	1.24	0.13
Wickerware				
World	**1,786**	**0.51**	**-**	**100.00**
Developed economies (1)	**1,643**	**0.58**	**-**	**91.98**
Developing economies	**131**	**0.22**	**-**	**7.32**
Economies in transition (2)	**11**	**0.18**	**-**	**0.60**
Republic of Korea	27	0.84	20.87	1.53
China, SAR of Hong Kong	25	0.12	19.40	1.42
Saudi Arabia	11	0.57	8.61	0.63
China, Taiwan Province of	10	0.44	8.00	0.59
Turkey	8	0.35	6.11	0.45
South Africa	8	0.56	5.99	0.44
Mexico	8	0.17	5.97	0.44
Brazil	3	0.43	2.44	0.18
Chile	3	0.44	2.30	0.17
Thailand	3	0.27	2.24	0.16
Other arts and crafts				
World	**9,572**	**2.73**	**-**	**100.00**
Developed economies (1)	**6,654**	**2.35**	**-**	**69.52**
Developing economies	**2,619**	**4.31**	**-**	**27.36**
Economies in transition (2)	**248**	**4.15**	**-**	**2.59**
China, SAR of Hong Kong	1,169	5.53	44.62	12.21
China	327	8.90	12.50	3.42
Republic of Korea	118	3.63	4.50	1.23
Mexico	115	2.49	4.39	1.20
Turkey	97	4.24	3.69	1.01
Saudi Arabia	57	2.92	2.18	0.60
Singapore	48	1.29	1.83	0.50
Philippines	46	11.95	1.75	0.48
Venezuela (Bolivarian Republic of)	41	4.24	1.56	0.43
China, Taiwan Province of	40	1.69	1.54	0.42
Film				
World	**650**	**0.19**	**-**	**100.00**
Developed economies (1)	**526**	**0.19**	**-**	**80.99**
Developing economies	**116**	**0.19**	**-**	**17.86**
Economies in transition (2)	**7**	**0.12**	**-**	**1.06**
Republic of Korea	60	1.84	51.46	9.19
Turkey	9	0.38	7.44	1.33
Mexico	5	0.10	4.10	0.73
India	4	0.25	3.58	0.64
China, Taiwan Province of	4	0.17	3.54	0.63
Thailand	4	0.37	3.43	0.61
South Africa	3	0.25	2.99	0.53
Indonesia	3	1.09	2.92	0.52
Chile	3	0.47	2.77	0.50
Venezuela (Bolivarian Republic of)	2	0.26	2.13	0.38

TABLE

1.4.3.B

Importer	Value (c.i.f. in millions of $)	2005 As % of country total	2005 As % of total for developing economies	2005 As % of world total
DESIGN				
World	**228,428**	**65.10**	**-**	**100.00**
Developed economies (1)	**184,052**	**65.14**	**-**	**80.57**
Developing economies	**39,257**	**64.61**	**-**	**17.19**
Economies in transition (2)	**3,967**	**66.35**	**-**	**1.74**
China, SAR of Hong Kong	16,315	77.19	41.56	7.14
Mexico	2,928	63.43	7.46	1.28
Singapore	2,647	71.17	6.74	1.16
Republic of Korea	2,130	65.62	5.42	0.93
China	1,642	44.68	4.18	0.72
Saudi Arabia	1,495	76.39	3.81	0.65
Turkey	1,322	58.09	3.37	0.58
China, Taiwan Province of	1,313	55.12	3.34	0.57
South Africa	790	56.11	2.01	0.35
Thailand	642	59.20	1.63	0.28
Fashion				
World	**60,792**	**17.33**	**-**	**100.00**
Developed economies (1)	**46,802**	**16.56**	**-**	**76.99**
Developing economies	**12,767**	**21.01**	**-**	**21.00**
Economies in transition (2)	**841**	**14.07**	**-**	**1.38**
China, SAR of Hong Kong	6,070	28.72	47.55	9.99
Singapore	881	23.70	6.90	1.45
Republic of Korea	805	24.80	6.30	1.32
Mexico	709	15.36	5.55	1.17
Saudi Arabia	458	23.40	3.59	0.75
China, Taiwan Province of	447	18.77	3.50	0.74
China	442	12.02	3.46	0.73
Turkey	421	18.52	3.30	0.69
Tunisia	264	62.61	2.07	0.43
South Africa	217	15.41	1.70	0.36
Interior				
World	**70,345**	**20.05**	**-**	**100.00**
Developed economies (1)	**60,693**	**21.48**	**-**	**86.28**
Developing economies	**7,655**	**12.60**	**-**	**10.88**
Economies in transition (2)	**1,615**	**27.02**	**-**	**2.30**
China, SAR of Hong Kong	1,364	6.46	17.82	1.94
Mexico	1,102	23.87	14.39	1.57
China	567	15.43	7.41	0.81
Republic of Korea	502	15.46	6.55	0.71
Saudi Arabia	433	22.12	5.66	0.62
Singapore	380	10.22	4.96	0.54
Turkey	361	15.88	4.72	0.51
China, Taiwan Province of	246	10.32	3.21	0.35
South Africa	222	15.80	2.91	0.32
Malaysia	193	19.65	2.52	0.27
Toys				
World	**43,064**	**12.27**	**-**	**100.00**
Developed economies (1)	**33,773**	**11.95**	**-**	**78.43**
Developing economies	**8,816**	**14.51**	**-**	**20.47**
Economies in transition (2)	**379**	**6.35**	**-**	**0.88**
China, SAR of Hong Kong	6,004	28.40	68.10	13.94
Mexico	567	12.27	6.43	1.32
Republic of Korea	314	9.67	3.56	0.73
China	271	7.38	3.08	0.63
China, Taiwan Province of	198	8.29	2.24	0.46
Turkey	135	5.95	1.54	0.31
South Africa	133	9.43	1.51	0.31
Singapore	125	3.37	1.42	0.29
Chile	97	14.12	1.10	0.23
Brazil	93	12.47	1.05	0.22
Records				
World	**16,312**	**4.65**	**-**	**100.00**
Developed economies (1)	**13,639**	**4.83**	**-**	**83.62**
Developing economies	**2,404**	**3.96**	**-**	**14.73**
Economies in transition (2)	**171**	**2.85**	**-**	**1.05**
China	1,052	28.61	43.75	6.45
Republic of Korea	234	7.20	9.72	1.43
China, SAR of Hong Kong	146	0.69	6.09	0.90
Mexico	145	3.14	6.03	0.89
Thailand	122	11.24	5.07	0.75
South Africa	117	8.34	4.88	0.72
China, Taiwan Province of	95	3.98	3.95	0.58
Turkey	70	3.06	2.89	0.43
Singapore	67	1.79	2.77	0.41
Venezuela (Bolivarian Republic of)	36	3.75	1.50	0.22

Importer	Value (c.i.f. in millions of $)	2005 As % of country total	2005 As % of total for developing economies	2005 As % of world total
Graphic				
World	**17,449**	**4.97**	**-**	**100.00**
Developed economies (1)	**13,810**	**4.89**	**-**	**79.15**
Developing economies	**2,644**	**4.35**	**-**	**15.15**
Economies in transition (2)	**750**	**12.54**	**-**	**4.30**
Saudi Arabia	342	17.50	12.95	1.96
Republic of Korea	268	8.27	10.16	1.54
China, Taiwan Province of	126	5.29	4.77	0.72
China, SAR of Hong Kong	125	0.59	4.74	0.72
Mexico	116	2.52	4.39	0.67
Turkey	116	5.08	4.38	0.66
India	105	6.42	3.98	0.60
South Africa	104	7.38	3.93	0.60
Singapore	81	2.17	3.05	0.46
Qatar	73	15.28	2.77	0.42
Glassware				
World	**5,524**	**1.57**	**-**	**100.00**
Developed economies (1)	**4,425**	**1.57**	**-**	**80.10**
Developing economies	**892**	**1.47**	**-**	**16.16**
Economies in transition (2)	**168**	**2.82**	**-**	**3.04**
China, SAR of Hong Kong	110	0.52	12.38	2.00
Republic of Korea	67	2.07	7.52	1.22
Iran (Islamic Republic of)	60	18.75	6.75	1.09
Mexico	56	1.20	6.22	1.00
China	50	1.37	5.65	0.91
Turkey	50	2.19	5.58	0.90
South Africa	47	3.30	5.21	0.84
Saudi Arabia	42	2.17	4.75	0.77
Malaysia	37	3.78	4.15	0.67
India	35	2.16	3.96	0.64
Jewellery				
World	**31,254**	**8.91**	**-**	**100.00**
Developed economies (1)	**24,549**	**8.69**	**-**	**78.55**
Developing economies	**6,483**	**10.67**	**-**	**20.74**
Economies in transition (2)	**213**	**3.56**	**-**	**0.68**
China, SAR of Hong Kong	2,641	12.50	40.74	8.45
Singapore	1,155	31.05	17.81	3.69
Mexico	379	8.20	5.84	1.21
China, Taiwan Province of	269	11.30	4.15	0.86
China	268	7.30	4.14	0.86
Turkey	239	10.48	3.68	0.76
Thailand	209	19.31	3.23	0.67
India	177	10.82	2.73	0.57
Republic of Korea	174	5.35	2.68	0.56
Jordan	161	40.18	2.48	0.51
MUSIC				
World	**16,419**	**4.68**	**-**	**100.00**
Developed economies (1)	**13,737**	**4.86**	**-**	**83.66**
Developing economies	**2,413**	**3.97**	**-**	**14.70**
Economies in transition (2)	**171**	**2.86**	**-**	**1.04**
China	1,052	28.61	43.58	6.41
Republic of Korea	235	7.23	9.73	1.43
China, SAR of Hong Kong	149	0.70	6.17	0.91
Mexico	145	3.15	6.03	0.89
Thailand	122	11.28	5.06	0.74
South Africa	118	8.38	4.89	0.72
China, Taiwan Province of	95	4.00	3.95	0.58
Turkey	70	3.06	2.88	0.42
Singapore	68	1.83	2.81	0.41
Venezuela (Bolivarian Republic of)	36	3.75	1.50	0.22
PRINTED				
World	**107**	**0.03**	**-**	**100.00**
Developed economies (1)	**97**	**0.03**	**-**	**90.69**
Developing economies	**10**	**0.02**	**-**	**9.10**
Economies in transition (2)	**0**	**0.00**	**-**	**0.21**
China, SAR of Hong Kong	3	0.01	25.83	2.35
Singapore	1	0.04	13.77	1.25
Republic of Korea	1	0.04	12.21	1.11
South Africa	1	0.05	6.99	0.64
Mexico	1	0.01	6.29	0.57
Malaysia	1	0.06	6.05	0.55
Aruba	1	1.45	5.70	0.52
China, Taiwan Province of	0	0.02	4.47	0.41
Thailand	0	0.03	3.86	0.35
Trinidad and Tobago	0	0.24	3.03	0.28

TABLE

1.4.3.B CREATIVE GOODS: TOP 10 IMPORTERS AMONG DEVELOPING ECONOMIES, BY PRODUCT GROUP, 2005

CONTINUED

Importer	Value (c.i.f. in millions of $)	2005 As % of country total	2005 As % of total for developing economies	2005 As % of world total
NEW MEDIA				
World	**13,402**	**3.82**	**-**	**100.00**
Developed economies (1)	**10,718**	**3.79**	**-**	**79.97**
Developing economies	**2,465**	**4.06**	**-**	**18.39**
Economies in transition (2)	**187**	**3.12**	**-**	**1.39**
China, SAR of Hong Kong	1,015	4.80	41.19	7.58
Singapore	194	5.22	7.87	1.45
Mexico	185	4.01	7.51	1.38
China, Taiwan Province of	181	7.61	7.35	1.35
Turkey	151	6.62	6.11	1.12
South Africa	112	7.94	4.53	0.83
Malaysia	67	6.78	2.70	0.50
China	57	1.56	2.33	0.43
Argentina	55	9.84	2.24	0.41
Peru	40	11.85	1.62	0.30
Video games				
World	**10,966**	**3.13**	**-**	**100.00**
Developed economies (1)	**8,853**	**3.12**	**-**	**80.73**
Developing economies	**1,905**	**3.13**	**-**	**17.37**
Economies in transition (2)	**177**	**2.96**	**-**	**1.61**
China, SAR of Hong Kong	1,015	4.80	53.31	9.26
Mexico	183	3.96	9.59	1.67
Singapore	179	4.81	9.39	1.63
China, Taiwan Province of	80	3.35	4.19	0.73
South Africa	71	5.07	3.75	0.65
Argentina	55	9.76	2.87	0.50
China	49	1.33	2.56	0.45
Peru	40	11.79	2.08	0.36
Chile	24	3.52	1.27	0.22
Paraguay	24	14.00	1.27	0.22
Books				
World	**13,836**	**3.94**	**-**	**100.00**
Developed economies (1)	**10,305**	**3.65**	**-**	**74.48**
Developing economies	**3,266**	**5.37**	**-**	**23.60**
Economies in transition (2)	**234**	**3.91**	**-**	**1.69**
China, SAR of Hong Kong	666	3.15	20.39	4.81
Mexico	389	8.43	11.91	2.81
Singapore	263	7.07	8.05	1.90
South Africa	207	14.68	6.33	1.49
Venezuela (Bolivarian Republic of)	199	20.68	6.10	1.44
Republic of Korea	147	4.52	4.49	1.06
China, Taiwan Province of	111	4.66	3.40	0.80
Malaysia	104	10.60	3.19	0.75
India	84	5.10	2.56	0.60
China	72	1.96	2.21	0.52
Other publishing				
World	**14,866**	**4.24**	**-**	**100.00**
Developed economies (1)	**11,027**	**3.90**	**-**	**74.17**
Developing economies	**3,372**	**5.55**	**-**	**22.68**
Economies in transition (2)	**373**	**6.24**	**-**	**2.51**
Ghana	375	65.10	11.13	2.52
Mexico	370	8.02	10.98	2.49
India	366	22.31	10.84	2.46
China, SAR of Hong Kong	246	1.16	7.30	1.66
Zambia	240	83.48	7.11	1.61
China	224	6.08	6.63	1.50
Yemen	134	67.39	3.99	0.90
Singapore	129	3.48	3.84	0.87
Suriname	125	81.18	3.71	0.84
Malaysia	85	8.68	2.53	0.57
Painting				
World	**963**	**0.27**	**-**	**100.00**
Developed economies (1)	**870**	**0.31**	**-**	**90.38**
Developing economies	**85**	**0.14**	**-**	**8.81**
Economies in transition (2)	**7**	**0.10**	**-**	**0.69**
China, SAR of Hong Kong	46	0.22	54.64	4.81
Republic of Korea	6	0.18	7.07	0.62
China, Taiwan Province of	5	0.22	6.07	0.53
Mexico	5	0.10	5.37	0.47
Saudi Arabia	3	0.14	3.17	0.28
South Africa	2	0.14	2.33	0.21
Turkey	2	0.08	2.21	0.19
Thailand	2	0.16	2.10	0.18
Singapore	2	0.05	1.99	0.17
Malaysia	2	0.16	1.87	0.16

Importer	Value (c.i.f. in millions of $))	2005 As % of country total	2005 As % of total for developing economies	2005 As % of world total
Digital records				
World	**2,436**	**0.69**	**-**	**100.00**
Developed economies (1)	**1,865**	**0.66**	**-**	**76.53**
Developing economies	**560**	**0.92**	**-**	**23.00**
Economies in transition (2)	**10**	**0.15**	**-**	**0.39**
Turkey	140	6.15	24.99	5.75
China, Taiwan Province of	101	4.25	18.08	4.16
Malaysia	52	5.35	9.37	2.15
South Africa	40	2.86	7.19	1.65
Thailand	36	3.36	6.50	1.50
India	34	2.10	6.15	1.41
Sri Lanka	34	12.95	5.98	1.38
Pakistan	24	8.30	4.35	1.00
Saudi Arabia	20	1.01	3.51	0.81
Singapore	15	0.41	2.71	0.62
PUBLISHING				
World	**45,783**	**13.05**	**-**	**100.00**
Developed economies (1)	**34,740**	**12.29**	**-**	**75.88**
Developing economies	**9,735**	**16.02**	**-**	**21.26**
Economies in transition (2)	**1,124**	**18.80**	**-**	**2.46**
China, SAR of Hong Kong	1,141	5.40	11.72	2.49
Mexico	904	19.58	9.28	1.97
India	892	54.47	9.17	1.95
Singapore	498	13.39	5.11	1.09
China	488	13.27	5.01	1.07
Venezuela (Bolivarian Republic of)	482	50.09	4.96	1.05
Turkey	444	19.51	4.56	0.97
China, Taiwan Province of	444	18.63	4.56	0.97
Ghana	425	73.68	4.36	0.93
Brazil	303	40.72	3.12	0.66
Newspapers				
World	**17,081**	**4.87**	**-**	**100.00**
Developed economies (1)	**13,409**	**4.75**	**-**	**78.50**
Developing economies	**3,098**	**5.10**	**-**	**18.13**
Economies in transition (2)	**518**	**8.66**	**-**	**3.03**
India	443	27.05	14.31	2.59
Turkey	335	14.71	10.81	1.96
China, Taiwan Province of	268	11.26	8.66	1.57
China, SAR of Hong Kong	229	1.09	7.40	1.34
Venezuela (Bolivarian Republic of)	203	21.10	6.56	1.19
Brazil	203	27.24	6.55	1.19
China	192	5.22	6.20	1.12
Mexico	144	3.13	4.66	0.85
Singapore	105	2.84	3.40	0.62
Thailand	103	9.51	3.33	0.60
VISUAL ARTS				
World	**21,111**	**6.02**	**-**	**100.00**
Developed economies (1)	**18,610**	**6.59**	**-**	**88.16**
Developing economies	**2,382**	**3.92**	**-**	**11.28**
Economies in transition (2)	**102**	**1.71**	**-**	**0.48**
China, SAR of Hong Kong	835	3.95	35.07	3.96
Republic of Korea	339	10.46	14.25	1.61
China, Taiwan Province of	274	11.51	11.51	1.30
Singapore	204	5.48	8.56	0.97
Iran (Islamic Republic of)	103	31.96	4.31	0.49
Mexico	99	2.14	4.15	0.47
South Africa	54	3.85	2.27	0.26
Turkey	50	2.18	2.08	0.24
Venezuela (Bolivarian Republic of)	49	5.10	2.06	0.23
Saudi Arabia	36	1.83	1.50	0.17
Photography				
World	**1,674**	**0.48**	**-**	**100.00**
Developed economies (1)	**851**	**0.30**	**-**	**50.82**
Developing economies	**815**	**1.34**	**-**	**48.70**
Economies in transition (2)	**7**	**0.10**	**-**	**0.41**
China, SAR of Hong Kong	226	1.07	27.71	13.50
China, Taiwan Province of	219	9.21	26.91	13.11
Republic of Korea	209	6.43	25.59	12.46
Singapore	120	3.23	14.73	7.18
China	6	0.17	0.78	0.38
Mexico	6	0.13	0.75	0.36
Malaysia	5	0.54	0.64	0.31
Turkey	2	0.10	0.27	0.13
South Africa	2	0.15	0.26	0.13
Saudi Arabia	2	0.10	0.24	0.12

TABLE
1.4.3.B

Importer	Value (c.i.f. in millions of $)	2005 As % of country total	2005 As % of total for developing economies	2005 As % of world total
Sculpture				
World	**5,691**	**1.62**	**-**	**100.00**
Developed economies (1)	**4,814**	**1.70**	**-**	**84.59**
Developing economies	**795**	**1.31**	**-**	**13.97**
Economies in transition (2)	**68**	**1.14**	**-**	**1.20**
China, SAR of Hong Kong	324	1.53	40.72	5.69
Mexico	76	1.64	9.52	1.33
Turkey	39	1.72	4.92	0.69
China, Taiwan Province of	38	1.59	4.76	0.66
Pakistan	25	8.50	3.14	0.44
China	25	0.68	3.13	0.44
Singapore	24	0.65	3.04	0.42
Saudi Arabia	24	1.23	3.02	0.42
South Africa	19	1.38	2.44	0.34
Brazil	18	2.43	2.28	0.32
Other visual arts				
World	**10,166**	**2.90**	**-**	**100.00**
Developed economies (1)	**9,628**	**3.41**	**-**	**94.70**
Developing economies	**519**	**0.85**	**-**	**5.10**
Economies in transition (2)	**20**	**0.33**	**-**	**0.19**
China, SAR of Hong Kong	111	0.52	21.38	1.09
Iran (Islamic Republic of)	99	30.85	19.11	0.98
Republic of Korea	96	2.97	18.58	0.95
Singapore	48	1.29	9.27	0.47
Venezuela (Bolivarian Republic of)	42	4.35	8.07	0.41
South Africa	25	1.79	4.87	0.25
Argentina	15	2.74	2.96	0.15
India	15	0.90	2.85	0.15
Mexico	12	0.25	2.24	0.11
China, Taiwan Province of	10	0.41	1.90	0.10

Importer	Value (c.i.f. in millions of $)	2005 As % of country total	2005 As % of total for developing economies	2005 As % of world total
Antiques				
World	**2,617**	**0.75**	**-**	**100.00**
Developed economies (1)	**2,448**	**0.87**	**-**	**93.55**
Developing economies	**168**	**0.28**	**-**	**6.42**
Economies in transition (2)	**1**	**0.01**	**-**	**0.03**
China, SAR of Hong Kong	128	0.61	76.39	4.91
Republic of Korea	11	0.33	6.46	0.41
Singapore	10	0.26	5.85	0.38
South Africa	5	0.38	3.20	0.21
Turkey	4	0.17	2.30	0.15
Malaysia	3	0.30	1.74	0.11
China, Taiwan Province of	2	0.08	1.13	0.07
China	2	0.04	0.98	0.06
Mexico	1	0.02	0.52	0.03
Brazil	1	0.07	0.31	0.02

SOURCE: UNCTAD secretariat calculations based on United Nations Comtrade database data.

NOTES: (1) Developed economies, including Bulgaria and Romania.
(2) Excluding Bulgaria and Romania, which are included in the European Union (EU-27).

TABLE

1.4.4.A CREATIVE GOODS: TOP 10 EXPORTERS AMONG ECONOMIES IN TRANSITION, BY PRODUCT GROUP, 2005

Exporter	Value (f.o.b. in millions of $)	2005 As % of country total	2005 As % of total for economies in transition	2005 As % of world total
ALL CREATIVE INDUSTRIES				
World	**335,494**	**100.00**	**-**	**100.00**
Developed economies (1)	**196,109**	**100.00**	**-**	**58.45**
Developing economies	**136,231**	**100.00**	**-**	**40.61**
Economies in transition (2)	**3,154**	**100.00**	**-**	**0.94**
Russian Federation	1,649	100.00	52.29	0.49
Belarus	419	100.00	13.28	0.12
Croatia	397	100.00	12.60	0.12
Ukraine	336	100.00	10.65	0.10
Serbia and Montenegro	111	100.00	3.53	0.03
Bosnia and Herzegovina	70	100.00	2.22	0.02
Armenia	40	100.00	1.26	0.01
Moldova	35	100.00	1.12	0.01
Kazakhstan	30	100.00	0.96	0.01
Macedonia, TFYR	26	100.00	0.83	0.01
Carpets				
World	**4,071**	**1.21**	**-**	**100.00**
Developed economies (1)	**1,577**	**0.81**	**-**	**38.74**
Developing economies	**2,452**	**1.80**	**-**	**60.24**
Economies in transition (2)	**30**	**1.51**	**-**	**0.74**
Moldova	13	36.94	43.58	0.32
Belarus	11	2.53	35.34	0.26
Serbia and Montenegro	4	3.41	12.68	0.09
Armenia	2	5.19	6.87	0.05
Russian Federation	0	0.02	0.86	0.01
Bosnia and Herzegovina	0	0.21	0.49	0.00
Macedonia, TFYR	0	0.37	0.32	0.00
Ukraine	0	0.02	0.23	0.00
Azerbaijan	0	1.29	0.22	0.00
Croatia	0	0.01	0.14	0.00
Paperware				
World	**62**	**0.02**	**-**	**100.00**
Developed economies (1)	**30**	**0.02**	**-**	**48.27**
Developing economies	**32**	**0.02**	**-**	**51.69**
Economies in transition (2)	**0**	**0.00**	**-**	**0.01**
Albania	0	0.02	12.05	0.01
Kyrgyzstan	0	0.02	4.12	0.00
Serbia and Montenegro	0	0.00	1.36	0.00
Russian Federation	0	0.00	0.39	0.00
Macedonia, TFYR	0	0.00	0.35	0.00
Kazakhstan	0	0.00	0.01	0.00
Armenia	0	0.00	0.00	0.00
Azerbaijan	0	0.00	0.00	0.00
Georgia	0	0.00	0.00	0.00
Turkmenistan	0	0.00	0.00	0.00
Yarn				
World	**4,808**	**1.43**	**-**	**100.00**
Developed economies (1)	**1,692**	**0.87**	**-**	**35.18**
Developing economies	**3,048**	**2.24**	**-**	**63.38**
Economies in transition (2)	**8**	**1.22**	**-**	**0.17**
Ukraine	2	0.66	27.88	0.05
Belarus	2	0.39	20.30	0.03
Bosnia and Herzegovina	1	2.12	18.51	0.03
Macedonia, TFYR	1	2.93	9.60	0.02
Russian Federation	1	0.04	8.87	0.01
Serbia and Montenegro	1	0.49	6.78	0.01
Croatia	1	0.14	6.71	0.01
Moldova	0	0.25	1.09	0.00
Kyrgyzstan	0	0.40	0.24	0.00
Albania	0	0.10	0.24	0.00
AUDIOVISUALS				
World	**664**	**0.20**	**-**	**100.00**
Developed economies (1)	**592**	**0.30**	**-**	**89.20**
Developing economies	**55**	**0.04**	**-**	**8.25**
Economies in transition (2)	**2**	**0.16**	**-**	**0.35**
Russian Federation	1	0.09	70.49	0.21
Croatia	1	0.14	28.30	0.09
Serbia and Montenegro	0	0.15	8.11	0.02
Ukraine	0	0.02	3.49	0.01
Belarus	0	0.02	3.16	0.01
Bosnia and Herzegovina	0	0.04	1.33	0.00
Armenia	0	0.06	1.15	0.00
Kazakhstan	0	0.01	0.08	0.00
Albania	0	0.00	0.03	0.00
Macedonia, TFYR	0	0.00	0.03	0.00

Exporter	Value (f.o.b. in millions of $))	2005 As % of country total	2005 As % of total for economies in transition	2005 As % of world total
ARTS AND CRAFTS				
World	**23,244**	**6.93**	**-**	**100.00**
Developed economies (1)	**9,118**	**4.69**	**-**	**39.23**
Developing economies	**13,881**	**10.19**	**-**	**59.72**
Economies in transition (2)	**137**	**7.74**	**-**	**0.59**
Russian Federation	45	2.72	32.80	0.19
Ukraine	32	9.40	23.04	0.14
Belarus	15	3.67	11.23	0.07
Moldova	13	37.96	9.81	0.06
Croatia	11	2.77	8.04	0.05
Serbia and Montenegro	6	5.18	4.22	0.02
Bosnia and Herzegovina	5	6.96	3.55	0.02
Kazakhstan	4	11.59	2.56	0.02
Macedonia, TFYR	3	11.31	2.17	0.01
Armenia	2	5.46	1.58	0.01
Celebration				
World	**3,118**	**0.93**	**-**	**100.00**
Developed economies (1)	**867**	**0.45**	**-**	**27.79**
Developing economies	**2,234**	**1.64**	**-**	**71.65**
Economies in transition (2)	**9**	**1.56**	**-**	**0.29**
Ukraine	8	2.25	84.00	0.24
Russian Federation	1	0.04	7.35	0.02
Croatia	0	0.13	5.55	0.02
Albania	0	0.69	1.56	0.00
Armenia	0	0.17	0.77	0.00
Macedonia, TFYR	0	0.11	0.33	0.00
Serbia and Montenegro	0	0.03	0.33	0.00
Kazakhstan	0	0.07	0.22	0.00
Georgia	0	0.15	0.16	0.00
Belarus	0	0.00	0.14	0.00
Wickerware				
World	**1,640**	**0.49**	**-**	**100.00**
Developed economies (1)	**256**	**0.13**	**-**	**15.59**
Developing economies	**1,374**	**1.01**	**-**	**83.82**
Economies in transition (2)	**7**	**0.46**	**-**	**0.41**
Croatia	2	0.51	28.88	0.12
Bosnia and Herzegovina	2	2.83	28.28	0.12
Russian Federation	2	0.11	25.41	0.11
Belarus	0	0.11	6.80	0.03
Serbia and Montenegro	0	0.19	3.01	0.01
Kazakhstan	0	0.48	2.07	0.01
Ukraine	0	0.01	0.44	0.00
Macedonia, TFYR	0	0.01	0.05	0.00
Albania	0	0.01	0.04	0.00
Georgia	0	0.01	0.01	0.00
Other arts and crafts				
World	**9,546**	**2.85**	**-**	**100.00**
Developed economies (1)	**4,698**	**2.42**	**-**	**49.21**
Developing economies	**4,741**	**3.48**	**-**	**49.66**
Economies in transition (2)	**83**	**2.95**	**-**	**0.87**
Russian Federation	42	2.52	50.04	0.44
Ukraine	22	6.45	26.12	0.23
Croatia	8	1.99	9.53	0.08
Kazakhstan	3	10.95	3.99	0.03
Belarus	3	0.64	3.23	0.03
Macedonia, TFYR	2	7.88	2.49	0.02
Bosnia and Herzegovina	1	1.78	1.50	0.01
Serbia and Montenegro	1	1.07	1.43	0.01
Georgia	0	4.49	0.52	0.00
Moldova	0	0.77	0.33	0.00
Film				
World	**664**	**0.20**	**-**	**100.00**
Developed economies (1)	**592**	**0.30**	**-**	**89.20**
Developing economies	**55**	**0.04**	**-**	**8.25**
Economies in transition (2)	**2**	**0.16**	**-**	**0.35**
Russian Federation	1	0.09	70.49	0.21
Croatia	1	0.14	28.30	0.09
Serbia and Montenegro	0	0.15	8.11	0.02
Ukraine	0	0.02	3.49	0.01
Belarus	0	0.02	3.16	0.01
Bosnia and Herzegovina	0	0.04	1.33	0.00
Armenia	0	0.06	1.15	0.00
Kazakhstan	0	0.01	0.08	0.00
Albania	0	0.00	0.03	0.00
Macedonia, TFYR	0	0.00	0.03	0.00

TABLE

1.4.4.A

Exporter	Value (f.o.b. in millions of $)	2005 As % of country total	2005 As % of total for economies in transition	2005 As % of world total
DESIGN				
World	**218,173**	**65.03**	**-**	**100.00**
Developed economies (1)	**112,595**	**57.91**	**-**	**51.61**
Developing economies	**102,413**	**75.18**	**-**	**46.94**
Economies in transition (2)	**1,735**	**64.16**	**-**	**0.80**
Russian Federation	567	34.38	32.69	0.26
Belarus	353	84.17	20.32	0.16
Croatia	299	75.18	17.22	0.14
Ukraine	255	75.98	14.71	0.12
Serbia and Montenegro	73	65.85	4.23	0.03
Bosnia and Herzegovina	56	79.77	3.21	0.03
Armenia	36	90.05	2.06	0.02
Kazakhstan	23	76.41	1.33	0.01
Moldova	20	57.86	1.18	0.01
Macedonia, TFYR	20	78.03	1.18	0.01
Fashion				
World	**60,100**	**17.91**	**-**	**100.00**
Developed economies (1)	**27,825**	**14.31**	**-**	**46.30**
Developing economies	**31,864**	**23.39**	**-**	**53.02**
Economies in transition (2)	**161**	**17.65**	**-**	**0.27**
Russian Federation	42	2.53	25.94	0.07
Ukraine	29	8.69	18.13	0.05
Croatia	29	7.34	18.12	0.05
Serbia and Montenegro	14	12.84	8.89	0.02
Belarus	14	3.26	8.48	0.02
Moldova	12	33.41	7.35	0.02
Macedonia, TFYR	10	38.14	6.22	0.02
Albania	6	31.50	3.95	0.01
Bosnia and Herzegovina	3	3.94	1.71	0.00
Georgia	1	9.56	0.57	0.00
Interior				
World	**66,597**	**19.85**	**-**	**100.00**
Developed economies (1)	**38,235**	**19.66**	**-**	**57.41**
Developing economies	**26,558**	**19.49**	**-**	**39.88**
Economies in transition (2)	**820**	**19.73**	**-**	**1.23**
Belarus	230	55.01	28.10	0.35
Ukraine	190	56.44	23.13	0.28
Russian Federation	174	10.57	21.26	0.26
Croatia	110	27.62	13.39	0.16
Bosnia and Herzegovina	50	71.63	6.10	0.08
Serbia and Montenegro	36	32.39	4.40	0.05
Kazakhstan	7	23.84	0.88	0.01
Moldova	6	16.57	0.72	0.01
Albania	6	28.70	0.71	0.01
Macedonia, TFYR	5	18.19	0.58	0.01
Toys				
World	**30,425**	**9.07**	**-**	**100.00**
Developed economies (1)	**10,941**	**5.63**	**-**	**35.96**
Developing economies	**19,350**	**14.20**	**-**	**63.60**
Economies in transition (2)	**40**	**10.77**	**-**	**0.13**
Belarus	16	3.82	39.95	0.05
Russian Federation	7	0.44	18.03	0.02
Croatia	6	1.51	14.97	0.02
Albania	4	18.57	9.38	0.01
Ukraine	4	1.04	8.76	0.01
Serbia and Montenegro	1	1.01	2.81	0.00
Moldova	1	3.14	2.78	0.00
Macedonia, TFYR	1	2.44	1.60	0.00
Bosnia and Herzegovina	0	0.58	1.02	0.00
Kazakhstan	0	0.49	0.37	0.00
Records				
World	**14,805**	**4.41**	**-**	**100.00**
Developed economies (1)	**13,308**	**6.84**	**-**	**89.89**
Developing economies	**1,409**	**1.03**	**-**	**9.51**
Economies in transition (2)	**63**	**3.06**	**-**	**0.43**
Russian Federation	32	1.94	50.86	0.22
Belarus	9	2.26	15.03	0.06
Serbia and Montenegro	7	6.49	11.49	0.05
Croatia	7	1.80	11.37	0.05
Azerbaijan	3	62.09	5.02	0.02
Kazakhstan	1	4.73	2.27	0.01
Bosnia and Herzegovina	1	1.57	1.74	0.01
Macedonia, TFYR	1	3.02	1.26	0.01
Ukraine	0	0.15	0.79	0.00
Moldova	0	0.03	0.02	0.00

Exporter	Value (f.o.b. in millions of $)	2005 As % of country total	2005 As % of total for economies in transition	2005 As % of world total
Graphic				
World	**16,422**	**4.89**	**-**	**100.00**
Developed economies (1)	**11,237**	**5.78**	**-**	**68.43**
Developing economies	**4,954**	**3.64**	**-**	**30.17**
Economies in transition (2)	**198**	**4.40**	**-**	**1.20**
Belarus	75	17.97	38.02	0.46
Russian Federation	42	2.56	21.30	0.26
Croatia	26	6.64	13.32	0.16
Ukraine	20	6.07	10.29	0.12
Serbia and Montenegro	15	13.31	7.49	0.09
Kazakhstan	8	27.12	4.15	0.05
Macedonia, TFYR	5	19.06	2.53	0.03
Bosnia and Herzegovina	2	3.36	1.19	0.01
Moldova	1	4.16	0.74	0.01
Albania	1	3.16	0.32	0.00
Glassware				
World	**6,016**	**1.79**	**-**	**100.00**
Developed economies (1)	**4,175**	**2.15**	**-**	**69.39**
Developing economies	**1,737**	**1.28**	**-**	**28.87**
Economies in transition (2)	**42**	**2.00**	**-**	**0.69**
Belarus	17	4.11	40.99	0.29
Russian Federation	12	0.72	28.16	0.20
Ukraine	6	1.74	13.93	0.10
Serbia and Montenegro	5	4.08	10.82	0.08
Croatia	2	0.46	4.34	0.03
Bosnia and Herzegovina	0	0.13	0.21	0.00
Kyrgyzstan	0	1.78	0.20	0.00
Moldova	0	0.15	0.13	0.00
Azerbaijan	0	0.63	0.08	0.00
Kazakhstan	0	0.10	0.07	0.00
Jewellery				
World	**38,612**	**11.51**	**-**	**100.00**
Developed economies (1)	**20,183**	**10.38**	**-**	**52.27**
Developing economies	**17,951**	**13.18**	**-**	**46.49**
Economies in transition (2)	**475**	**9.60**	**-**	**1.23**
Russian Federation	290	17.57	61.01	0.75
Croatia	126	31.61	26.45	0.33
Armenia	35	88.05	7.36	0.09
Kazakhstan	7	23.67	1.51	0.02
Ukraine	7	2.01	1.42	0.02
Georgia	4	43.56	0.88	0.01
Kyrgyzstan	3	55.22	0.56	0.01
Serbia and Montenegro	2	2.23	0.52	0.01
Albania	1	5.30	0.23	0.00
Moldova	0	0.42	0.03	0.00
MUSIC				
World	**14,924**	**4.45**	**-**	**100.00**
Developed economies (1)	**13,424**	**6.90**	**-**	**89.94**
Developing economies	**1,412**	**1.04**	**-**	**9.46**
Economies in transition (2)	**63**	**3.09**	**-**	**0.42**
Russian Federation	32	1.94	50.88	0.21
Belarus	9	2.26	15.03	0.06
Croatia	7	1.83	11.52	0.05
Serbia and Montenegro	7	6.50	11.50	0.05
Azerbaijan	3	62.09	5.02	0.02
Kazakhstan	1	4.73	2.27	0.01
Bosnia and Herzegovina	1	1.57	1.74	0.01
Macedonia, TFYR	1	3.02	1.26	0.01
Ukraine	0	0.15	0.79	0.00
Moldova	0	0.03	0.02	0.00
PRINTED				
World	**119**	**0.04**	**-**	**100.00**
Developed economies (1)	**116**	**0.06**	**-**	**96.89**
Developing economies	**4**	**0.00**	**-**	**3.01**
Economies in transition (2)	**0**	**0.00**	**-**	**0.10**
Croatia	0	0.02	77.76	0.08
Russian Federation	0	0.00	14.24	0.01
Serbia and Montenegro	0	0.01	6.41	0.01
Belarus	0	0.00	0.42	0.00
Ukraine	0	0.00	0.03	0.00
Armenia	0	0.00	0.00	0.00
Azerbaijan	0	0.00	0.00	0.00
Georgia	0	0.00	0.00	0.00
Kazakhstan	0	0.00	0.00	0.00
Kyrgyzstan	0	0.00	0.00	0.00

TABLE

1.4.4.A CREATIVE GOODS: TOP 10 EXPORTERS AMONG ECONOMIES IN TRANSITION, BY PRODUCT GROUP, 2005

CONTINUED

Exporter	Value (f.o.b. in millions of $)	2005 As % of country total	2005 As % of total for economies in transition	2005 As % of world total
NEW MEDIA				
World	**12,035**	**3.59**	**-**	**100.00**
Developed economies (1)	**6,471**	**3.33**	**-**	**53.77**
Developing economies	**5,508**	**4.04**	**-**	**45.77**
Economies in transition (2)	**50**	**3.03**	**-**	**0.41**
Russian Federation	19	1.18	38.81	0.16
Belarus	15	3.52	29.46	0.12
Croatia	8	1.90	15.11	0.06
Bosnia and Herzegovina	3	3.92	5.48	0.02
Ukraine	3	0.78	5.21	0.02
Kazakhstan	1	4.88	2.95	0.01
Serbia and Montenegro	1	0.98	2.19	0.01
Georgia	0	0.91	0.17	0.00
Moldova	0	0.16	0.11	0.00
Albania	0	0.28	0.11	0.00
Video games				
World	**9,752**	**2.91**	**-**	**100.00**
Developed economies (1)	**4,426**	**2.28**	**-**	**45.38**
Developing economies	**5,278**	**3.87**	**-**	**54.12**
Economies in transition (2)	**44**	**1.95**	**-**	**0.45**
Belarus	15	3.51	33.45	0.15
Russian Federation	14	0.86	32.17	0.15
Croatia	7	1.78	16.11	0.07
Bosnia and Herzegovina	3	3.91	6.21	0.03
Ukraine	3	0.77	5.88	0.03
Kazakhstan	1	4.81	3.31	0.01
Serbia and Montenegro	1	0.88	2.22	0.01
Georgia	0	0.91	0.20	0.00
Albania	0	0.26	0.12	0.00
Armenia	0	0.07	0.07	0.00
Books				
World	**12,881**	**3.84**	**-**	**100.00**
Developed economies (1)	**9,707**	**4.99**	**-**	**75.36**
Developing economies	**2,965**	**2.18**	**-**	**23.02**
Economies in transition (2)	**203**	**4.30**	**-**	**1.58**
Russian Federation	149	9.03	73.38	1.16
Belarus	21	5.07	10.47	0.16
Croatia	17	4.40	8.61	0.14
Ukraine	7	2.21	3.65	0.06
Serbia and Montenegro	5	4.67	2.56	0.04
Bosnia and Herzegovina	1	1.63	0.56	0.01
Moldova	1	1.97	0.34	0.01
Armenia	0	1.05	0.21	0.00
Kazakhstan	0	1.16	0.17	0.00
Azerbaijan	0	3.36	0.08	0.00
Other publishing				
World	**16,099**	**4.80**	**-**	**100.00**
Developed economies (1)	**13,257**	**6.82**	**-**	**82.35**
Developing economies	**2,641**	**1.94**	**-**	**16.41**
Economies in transition (2)	**184**	**4.50**	**-**	**1.14**
Russian Federation	142	8.62	77.22	0.88
Ukraine	19	5.58	10.18	0.12
Croatia	11	2.71	5.85	0.07
Serbia and Montenegro	4	3.33	2.02	0.02
Belarus	3	0.78	1.78	0.02
Macedonia, TFYR	1	5.11	0.73	0.01
Armenia	1	3.16	0.68	0.01
Bosnia and Herzegovina	1	1.50	0.57	0.01
Moldova	0	1.34	0.26	0.00
Albania	0	1.66	0.18	0.00
Painting				
World	**955**	**0.28**	**_**	**100.00**
Developed economies (1)	**245**	**0.13**	**_**	**25.70**
Developing economies	**688**	**0.50**	**_**	**72.03**
Economies in transition (2)	**22**	**0.69**	**_**	**2.27**
Albania	2	8.07	7.53	0.17
Ukraine	1	0.16	2.56	0.06
Russian Federation	0	0.01	0.65	0.01
Belarus	0	0.01	0.27	0.01
Serbia and Montenegro	0	0.02	0.11	0.00
Croatia	0	0.00	0.06	0.00
Georgia	0	0.03	0.02	0.00
Bosnia and Herzegovina	0	0.00	0.01	0.00
Kazakhstan	0	0.00	0.01	0.00
Macedonia, TFYR	0	0.00	0.00	0.00

Exporter	Value (f.o.b. in millions of $))	2005 As % of country total	2005 As % of total for economies in transition	2005 As % of world total
Digital records				
World	**2,282**	**0.68**	**-**	**100.00**
Developed economies (1)	**2,046**	**1.05**	**-**	**89.64**
Developing economies	**230**	**0.17**	**-**	**10.09**
Economies in transition (2)	**6**	**0.13**	**-**	**0.27**
Russian Federation	5	0.32	85.16	0.23
Croatia	0	0.12	7.52	0.02
Serbia and Montenegro	0	0.11	1.92	0.01
Moldova	0	0.14	0.80	0.00
Kazakhstan	0	0.07	0.32	0.00
Ukraine	0	0.01	0.29	0.00
Belarus	0	0.00	0.17	0.00
Bosnia and Herzegovina	0	0.01	0.10	0.00
Albania	0	0.02	0.07	0.00
Macedonia, TFYR	0	0.01	0.03	0.00
PUBLISHING				
World	**44,304**	**13.21**	**-**	**100.00**
Developed economies (1)	**36,593**	**18.82**	**-**	**82.60**
Developing economies	**6,567**	**4.82**	**-**	**14.82**
Economies in transition (2)	**1,096**	**14.59**	**-**	**2.47**
Russian Federation	926	56.14	84.48	2.09
Croatia	65	16.30	5.91	0.15
Ukraine	45	13.36	4.10	0.10
Belarus	26	6.19	2.37	0.06
Serbia and Montenegro	23	20.57	2.09	0.05
Bosnia and Herzegovina	5	6.90	0.44	0.01
Macedonia, TFYR	2	6.87	0.16	0.00
Armenia	2	4.22	0.15	0.00
Moldova	1	3.71	0.12	0.00
Kazakhstan	1	2.05	0.06	0.00
Newspapers				
World	**15,324**	**4.57**	**-**	**100.00**
Developed economies (1)	**13,629**	**7.01**	**-**	**88.94**
Developing economies	**961**	**0.71**	**-**	**6.27**
Economies in transition (2)	**709**	**5.79**	**-**	**4.62**
Russian Federation	635	38.49	89.53	4.14
Croatia	37	9.19	5.15	0.24
Ukraine	19	5.58	2.64	0.12
Serbia and Montenegro	14	12.58	1.98	0.09
Bosnia and Herzegovina	3	3.76	0.37	0.02
Belarus	1	0.33	0.20	0.01
Macedonia, TFYR	0	1.13	0.04	0.00
Moldova	0	0.40	0.02	0.00
Kazakhstan	0	0.07	0.00	0.00
Georgia	0	0.07	0.00	0.00
VISUAL ARTS				
World	**22,149**	**6.60**	**-**	**100.00**
Developed economies (1)	**15,651**	**8.05**	**-**	**70.66**
Developing economies	**6,395**	**4.69**	**-**	**28.87**
Economies in transition (2)	**71**	**7.22**	**-**	**0.32**
Russian Federation	59	3.55	82.43	0.26
Croatia	7	1.88	10.53	0.03
Albania	2	8.49	2.42	0.01
Ukraine	1	0.32	1.53	0.00
Serbia and Montenegro	1	0.77	1.20	0.00
Belarus	1	0.18	1.04	0.00
Bosnia and Herzegovina	1	0.85	0.83	0.00
Macedonia, TFYR	0	0.69	0.26	0.00
Kazakhstan	0	0.33	0.14	0.00
Moldova	0	0.27	0.14	0.00
Photography				
World	**1,494**	**0.45**	**_**	**100.00**
Developed economies (1)	**979**	**0.50**	**_**	**65.52**
Developing economies	**514**	**0.38**	**_**	**34.39**
Economies in transition (2)	**1**	**0.05**	**_**	**0.10**
Russian Federation	0	0.02	21.91	0.02
Croatia	0	0.03	8.74	0.01
Serbia and Montenegro	0	0.02	1.90	0.00
Ukraine	0	0.00	0.40	0.00
Bosnia and Herzegovina	0	0.01	0.25	0.00
Macedonia, TFYR	0	0.01	0.20	0.00
Georgia	0	0.03	0.17	0.00
Belarus	0	0.00	0.10	0.00
Kyrgyzstan	0	0.03	0.09	0.00
Kazakhstan	0	0.00	0.04	0.00

TABLE
1.4.4.A

Exporter	Value (f.o.b. in millions of $)	2005 As % of country total	2005 As % of total for economies in transition	2005 As % of world total
Sculpture				
World	**6,078**	**1.81**	**-**	**100.00**
Developed economies (1)	**1,825**	**0.94**	**-**	**30.02**
Developing economies	**4,177**	**3.07**	**-**	**68.73**
Economies in transition (2)	**65**	**2.27**	**-**	**1.07**
Russian Federation	57	3.44	87.38	0.93
Croatia	6	1.55	9.49	0.10
Belarus	1	0.15	0.97	0.01
Ukraine	0	0.14	0.75	0.01
Serbia and Montenegro	0	0.36	0.62	0.01
Bosnia and Herzegovina	0	0.16	0.18	0.00
Macedonia, TFYR	0	0.28	0.11	0.00
Moldova	0	0.16	0.08	0.00
Kazakhstan	0	0.13	0.06	0.00
Albania	0	0.18	0.06	0.00
Other visual arts				
World	**11,087**	**3.30**	**-**	**100.00**
Developed economies (1)	**10,250**	**5.27**	**-**	**92.45**
Developing economies	**833**	**0.61**	**-**	**7.52**
Economies in transition (2)	**3**	**3.30**	**-**	**0.03**
Russian Federation	1	0.08	42.23	0.01
Croatia	1	0.29	38.77	0.01
Serbia and Montenegro	0	0.36	13.23	0.00
Macedonia, TFYR	0	0.40	3.52	0.00
Kazakhstan	0	0.20	1.97	0.00
Belarus	0	0.01	1.70	0.00
Albania	0	0.25	1.66	0.00
Moldova	0	0.12	1.41	0.00
Georgia	0	0.35	1.11	0.00
Armenia	0	0.07	0.93	0.00

Exporter	Value (f.o.b. in millions of $)	2005 As % of country total	2005 As % of total for economies in transition	2005 As % of world total
Antiques				
World	**2,536**	**0.76**	**-**	**100.00**
Developed economies (1)	**2,352**	**1.21**	**-**	**92.77**
Developing economies	**183**	**0.13**	**-**	**7.21**
Economies in transition (2)	**0**	**0.01**	**-**	**0.02**
Bosnia and Herzegovina	0	0.65	93.57	0.02
Ukraine	0	0.01	5.12	0.00
Croatia	0	0.00	1.09	0.00
Armenia	0	0.00	0.00	0.00
Azerbaijan	0	0.00	0.00	0.00
Georgia	0	0.00	0.00	0.00
Kazakhstan	0	0.00	0.00	0.00
Kyrgyzstan	0	0.00	0.00	0.00
Turkmenistan	0	0.00	0.00	0.00
Albania	0	0.00	0.00	0.00

SOURCE: UNCTAD secretariat calculations based on United Nations Comtrade database data.

NOTES: (1) Developed economies, including Bulgaria and Romania.
(2) Excluding Bulgaria and Romania, which are included in the European Union (EU-27).

TABLE

1.4.4.B CREATIVE GOODS: TOP 10 IMPORTERS AMONG ECONOMIES IN TRANSITION, BY PRODUCT GROUP, 2005

Importer	2005 Value (c.i.f. in millions of $)	2005 As % of country total	2005 As % of total for economies in transition	2005 As % of world total
ALL CREATIVE INDUSTRIES				
World	**350,884**	**100.00**	**-**	**100.00**
Developed economies (1)	**284,147**	**100.00**	**-**	**80.53**
Developing economies	**60,759**	**100.00**	**-**	**17.32**
Economies in transition (2)	**5,978**	**100.00**	**-**	**1.70**
Russian Federation	2,680	100.00	44.82	0.76
Croatia	877	100.00	14.66	0.25
Ukraine	662	100.00	11.07	0.19
Kazakhstan	448	100.00	7.50	0.13
Serbia and Montenegro	296	100.00	4.95	0.08
Bosnia and Herzegovina	263	100.00	4.41	0.08
Belarus	197	100.00	3.29	0.06
Albania	119	100.00	1.99	0.03
Moldova	102	100.00	1.71	0.03
Macedonia, TFYR	97	100.00	1.63	0.03
Carpets				
World	**4,033**	**1.15**	**-**	**100.00**
Developed economies (1)	**3,568**	**1.26**	**-**	**88.47**
Developing economies	**375**	**0.62**	**-**	**9.31**
Economies in transition (2)	**70**	**1.17**	**-**	**1.74**
Russian Federation	27	1.02	38.93	0.68
Ukraine	16	2.45	23.16	0.40
Croatia	10	1.16	14.50	0.25
Bosnia and Herzegovina	4	1.60	6.03	0.10
Serbia and Montenegro	4	1.37	5.81	0.10
Kazakhstan	2	0.43	2.74	0.05
Macedonia, TFYR	2	1.70	2.36	0.04
Kyrgyzstan	1	3.59	1.51	0.03
Azerbaijan	1	1.16	1.50	0.03
Moldova	1	0.69	1.00	0.02
Paperware				
World	**118**	**0.03**	**_**	**100.00**
Developed economies (1)	**99**	**0.04**	**_**	**83.83**
Developing economies	**18**	**0.03**	**_**	**15.11**
Economies in transition (2)	**1**	**0.02**	**_**	**1.05**
Macedonia, TFYR	0	0.10	8.01	0.08
Kazakhstan	0	0.01	4.89	0.05
Russian Federation	0	0.00	4.33	0.05
Croatia	0	0.00	2.72	0.03
Serbia and Montenegro	0	0.01	1.86	0.02
Albania	0	0.01	1.01	0.01
Belarus	0	0.00	0.74	0.01
Ukraine	0	0.00	0.50	0.01
Bosnia and Herzegovina	0	0.00	0.13	0.00
Kyrgyzstan	0	0.00	0.09	0.00
Yarn				
World	**3,884**	**1.11**	**-**	**100.00**
Developed economies (1)	**3,166**	**1.12**	**-**	**81.50**
Developing economies	**657**	**1.08**	**-**	**16.90**
Economies in transition (2)	**38**	**0.64**	**-**	**0.99**
Russian Federation	14	0.54	37.98	0.37
Croatia	6	0.68	15.78	0.15
Ukraine	5	0.82	14.29	0.14
Belarus	5	2.57	13.30	0.13
Bosnia and Herzegovina	3	0.95	6.61	0.06
Macedonia, TFYR	2	1.65	4.23	0.04
Serbia and Montenegro	2	0.52	4.05	0.04
Kazakhstan	1	0.17	2.05	0.02
Moldova	0	0.41	1.09	0.01
Albania	0	0.20	0.61	0.01
AUDIOVISUALS				
World	**650**	**0.19**	**-**	**100.00**
Developed economies (1)	**526**	**0.19**	**-**	**80.99**
Developing economies	**116**	**0.19**	**-**	**17.86**
Economies in transition (2)	**7**	**0.12**	**-**	**1.06**
Ukraine	3	0.43	37.85	0.43
Serbia and Montenegro	1	0.44	17.42	0.20
Russian Federation	1	0.04	16.13	0.18
Croatia	1	0.09	10.54	0.12
Belarus	0	0.23	6.18	0.07
Kazakhstan	0	0.04	2.28	0.03
Albania	0	0.07	1.06	0.01
Bosnia and Herzegovina	0	0.02	0.88	0.01
Macedonia, TFYR	0	0.02	0.32	0.00
Georgia	0	0.01	0.10	0.00

Importer	2005 Value (c.i.f. in millions of $)	2005 As % of country total	2005 As % of total for economies in transition	2005 As % of world total
ARTS AND CRAFTS				
World	**25,091**	**7.15**	**-**	**100.00**
Developed economies (1)	**20,174**	**7.14**	**-**	**80.40**
Developing economies	**4,390**	**7.23**	**-**	**17.50**
Economies in transition (2)	**421**	**7.05**	**-**	**1.68**
Russian Federation	190	7.08	45.06	0.76
Croatia	48	5.46	11.36	0.19
Ukraine	46	6.91	10.86	0.18
Kazakhstan	30	6.76	7.20	0.12
Belarus	24	12.08	5.64	0.09
Serbia and Montenegro	20	6.63	4.66	0.08
Bosnia and Herzegovina	18	6.68	4.18	0.07
Macedonia, TFYR	14	14.16	3.28	0.05
Georgia	7	8.90	1.64	0.03
Albania	7	5.74	1.62	0.03
Celebration				
World	**5,698**	**1.62**	**-**	**100.00**
Developed economies (1)	**5,045**	**1.79**	**-**	**88.54**
Developing economies	**591**	**0.97**	**-**	**10.37**
Economies in transition (2)	**54**	**0.90**	**-**	**0.95**
Russian Federation	35	1.30	64.68	0.61
Croatia	7	0.84	13.67	0.13
Ukraine	4	0.53	6.52	0.06
Serbia and Montenegro	2	0.55	3.00	0.03
Kazakhstan	1	0.27	2.25	0.02
Bosnia and Herzegovina	1	0.37	1.83	0.02
Belarus	1	0.45	1.64	0.02
Albania	1	0.62	1.36	0.01
Macedonia, TFYR	1	0.75	1.35	0.01
Georgia	1	0.77	1.11	0.01
Wickerware				
World	**1,786**	**0.51**	**-**	**100.00**
Developed economies (1)	**1,643**	**0.58**	**-**	**91.98**
Developing economies	**131**	**0.22**	**-**	**7.32**
Economies in transition (2)	**11**	**0.18**	**-**	**0.60**
Russian Federation	5	0.20	48.99	0.30
Croatia	3	0.30	23.59	0.15
Serbia and Montenegro	1	0.34	9.12	0.06
Ukraine	1	0.10	6.07	0.04
Bosnia and Herzegovina	0	0.16	3.81	0.02
Belarus	0	0.07	1.20	0.01
Macedonia, TFYR	0	0.13	1.11	0.01
Kazakhstan	0	0.02	0.89	0.01
Albania	0	0.08	0.83	0.01
Georgia	0	0.06	0.44	0.00
Other arts and crafts				
World	**9,572**	**2.73**	**-**	**100.00**
Developed economies (1)	**6,654**	**2.35**	**-**	**69.52**
Developing economies	**2,619**	**4.31**	**-**	**27.36**
Economies in transition (2)	**248**	**4.15**	**-**	**2.59**
Russian Federation	108	4.02	43.40	1.12
Kazakhstan	26	5.86	10.58	0.27
Croatia	22	2.47	8.75	0.23
Ukraine	20	3.01	8.02	0.21
Belarus	17	8.72	6.91	0.18
Serbia and Montenegro	11	3.84	4.58	0.12
Macedonia, TFYR	10	9.83	3.86	0.10
Bosnia and Herzegovina	9	3.59	3.82	0.10
Georgia	5	7.02	2.19	0.06
Albania	5	4.36	2.09	0.05
Film				
World	**650**	**0.19**	**-**	**100.00**
Developed economies (1)	**526**	**0.19**	**-**	**80.99**
Developing economies	**116**	**0.19**	**-**	**17.86**
Economies in transition (2)	**7**	**0.12**	**-**	**1.06**
Ukraine	3	0.43	37.85	0.43
Serbia and Montenegro	1	0.44	17.42	0.20
Russian Federation	1	0.04	16.13	0.18
Croatia	1	0.09	10.54	0.12
Belarus	0	0.23	6.18	0.07
Kazakhstan	0	0.04	2.28	0.03
Albania	0	0.07	1.06	0.01
Bosnia and Herzegovina	0	0.02	0.88	0.01
Macedonia, TFYR	0	0.02	0.32	0.00
Georgia	0	0.01	0.10	0.00

TABLE

1.4.4.B

Importer	Value (c.i.f. in millions of $)	2005 As % of country total	2005 As % of total for economies in transition	2005 As % of world total
DESIGN				
World	**228,428**	**65.10**	**-**	**100.00**
Developed economies (1)	**184,052**	**65.14**	**-**	**80.57**
Developing economies	**39,257**	**64.61**	**-**	**17.19**
Economies in transition (2)	**3,967**	**66.35**	**-**	**1.74**
Russian Federation	1,764	65.83	44.47	0.77
Croatia	640	73.01	16.13	0.28
Ukraine	421	63.56	10.60	0.18
Kazakhstan	287	64.08	7.24	0.13
Serbia and Montenegro	184	62.26	4.64	0.08
Bosnia and Herzegovina	172	65.24	4.33	0.08
Belarus	107	54.35	2.69	0.05
Albania	97	81.41	2.44	0.04
Moldova	73	71.32	1.83	0.03
Macedonia, TFYR	64	65.39	1.61	0.03
Fashion				
World	**60,792**	**17.33**	**-**	**100.00**
Developed economies (1)	**46,802**	**16.56**	**-**	**76.99**
Developing economies	**12,767**	**21.01**	**-**	**21.00**
Economies in transition (2)	**841**	**14.07**	**-**	**1.38**
Russian Federation	419	15.65	49.86	0.69
Ukraine	121	18.30	14.40	0.20
Croatia	110	12.52	13.05	0.18
Serbia and Montenegro	41	13.99	4.92	0.07
Kazakhstan	30	6.77	3.61	0.05
Bosnia and Herzegovina	26	9.71	3.04	0.04
Moldova	22	21.07	2.56	0.04
Macedonia, TFYR	19	19.06	2.21	0.03
Belarus	18	9.40	2.20	0.03
Albania	15	12.65	1.79	0.02
Interior				
World	**70,345**	**20.05**	**-**	**100.00**
Developed economies (1)	**60,693**	**21.48**	**-**	**86.28**
Developing economies	**7,655**	**12.60**	**-**	**10.88**
Economies in transition (2)	**1,615**	**27.02**	**-**	**2.30**
Russian Federation	729	27.20	45.13	1.04
Croatia	243	27.76	15.07	0.35
Kazakhstan	154	34.35	9.53	0.22
Ukraine	140	21.09	8.64	0.20
Bosnia and Herzegovina	83	31.44	5.13	0.12
Serbia and Montenegro	74	24.92	4.57	0.10
Belarus	44	22.13	2.69	0.06
Azerbaijan	33	35.99	2.02	0.05
Moldova	27	26.68	1.69	0.04
Georgia	25	31.74	1.52	0.03
Toys				
World	**43,064**	**12.27**	**-**	**100.00**
Developed economies (1)	**33,773**	**11.95**	**-**	**78.43**
Developing economies	**8,816**	**14.51**	**-**	**20.47**
Economies in transition (2)	**379**	**6.35**	**-**	**0.88**
Russian Federation	241	8.99	63.58	0.56
Croatia	40	4.62	10.68	0.09
Ukraine	28	4.19	7.32	0.06
Serbia and Montenegro	20	6.80	5.31	0.05
Kazakhstan	10	2.32	2.75	0.02
Belarus	10	5.19	2.69	0.02
Bosnia and Herzegovina	10	3.83	2.66	0.02
Albania	7	5.52	1.73	0.02
Georgia	4	5.63	1.15	0.01
Macedonia, TFYR	3	3.13	0.81	0.01
Records				
World	**16,312**	**4.65**	**-**	**100.00**
Developed economies (1)	**13,639**	**4.83**	**-**	**83.62**
Developing economies	**2,404**	**3.96**	**-**	**14.73**
Economies in transition (2)	**171**	**2.85**	**-**	**1.05**
Russian Federation	38	1.41	22.08	0.23
Croatia	35	3.95	20.25	0.21
Kazakhstan	34	7.59	19.89	0.21
Belarus	15	7.60	8.73	0.09
Serbia and Montenegro	14	4.87	8.42	0.09
Ukraine	12	1.82	7.04	0.07
Bosnia and Herzegovina	10	3.65	5.63	0.06
Moldova	4	4.08	2.44	0.03
Albania	3	2.65	1.84	0.02
Macedonia, TFYR	3	3.05	1.74	0.02

Importer	Value (c.i.f. in millions of $)	2005 As % of country total	2005 As % of total for economies in transition	2005 As % of world total
Graphic				
World	**17,449**	**4.97**	**-**	**100.00**
Developed economies (1)	**13,810**	**4.89**	**-**	**79.15**
Developing economies	**2,644**	**4.35**	**-**	**15.15**
Economies in transition (2)	**750**	**12.54**	**-**	**4.30**
Russian Federation	250	9.35	33.40	1.44
Ukraine	102	15.42	13.60	0.58
Croatia	100	11.43	13.36	0.57
Kazakhstan	67	15.00	8.97	0.39
Albania	47	39.62	6.27	0.27
Bosnia and Herzegovina	44	16.52	5.80	0.25
Serbia and Montenegro	35	11.90	4.70	0.20
Belarus	31	15.87	4.16	0.18
Macedonia, TFYR	19	19.03	2.47	0.11
Azerbaijan	17	18.66	2.25	0.10
Glassware				
World	**5,524**	**1.57**	**-**	**100.00**
Developed economies (1)	**4,425**	**1.57**	**-**	**80.10**
Developing economies	**892**	**1.47**	**-**	**16.16**
Economies in transition (2)	**168**	**2.82**	**-**	**3.04**
Russian Federation	98	3.66	58.33	1.77
Croatia	19	2.20	11.47	0.35
Ukraine	11	1.63	6.41	0.19
Serbia and Montenegro	9	3.00	5.28	0.16
Kazakhstan	7	1.63	4.34	0.13
Bosnia and Herzegovina	6	2.43	3.81	0.12
Azerbaijan	4	3.99	2.15	0.07
Belarus	3	1.76	2.06	0.06
Macedonia, TFYR	3	2.77	1.61	0.05
Albania	3	2.12	1.50	0.05
Jewellery				
World	**31,254**	**8.91**	**-**	**100.00**
Developed economies (1)	**24,549**	**8.69**	**-**	**78.55**
Developing economies	**6,483**	**10.67**	**-**	**20.74**
Economies in transition (2)	**213**	**3.56**	**-**	**0.68**
Croatia	127	14.48	59.60	0.41
Russian Federation	26	0.99	12.42	0.08
Ukraine	19	2.93	9.09	0.06
Kazakhstan	18	4.02	8.45	0.06
Moldova	6	5.84	2.80	0.02
Serbia and Montenegro	5	1.66	2.30	0.02
Bosnia and Herzegovina	3	1.31	1.62	0.01
Georgia	3	3.96	1.44	0.01
Macedonia, TFYR	2	1.73	0.79	0.01
Armenia	1	3.22	0.61	0.00
MUSIC				
World	**16,419**	**4.68**	**-**	**100.00**
Developed economies (1)	**13,737**	**4.86**	**-**	**83.66**
Developing economies	**2,413**	**3.97**	**-**	**14.70**
Economies in transition (2)	**171**	**2.86**	**-**	**1.04**
Russian Federation	38	1.41	22.12	0.23
Croatia	35	3.95	20.26	0.21
Kazakhstan	34	7.59	19.89	0.21
Belarus	15	7.60	8.74	0.09
Serbia and Montenegro	14	4.87	8.43	0.09
Ukraine	12	1.83	7.07	0.07
Bosnia and Herzegovina	10	3.66	5.64	0.06
Moldova	4	4.09	2.44	0.03
Albania	3	2.65	1.84	0.02
Macedonia, TFYR	3	3.05	1.74	0.02
Printed				
World	**107**	**0.03**	**-**	**100.00**
Developed economies (1)	**97**	**0.03**	**-**	**90.69**
Developing economies	**10**	**0.02**	**-**	**9.10**
Economies in transition (2)	**0**	**0.00**	**-**	**0.21**
Russian Federation	0	0.00	31.18	0.07
Ukraine	0	0.01	21.19	0.04
Croatia	0	0.00	9.99	0.02
Bosnia and Herzegovina	0	0.01	6.36	0.01
Belarus	0	0.01	5.54	0.01
Serbia and Montenegro	0	0.00	4.66	0.01
Kazakhstan	0	0.00	3.09	0.01
Georgia	0	0.00	1.51	0.00
Armenia	0	0.01	1.10	0.00
Kyrgyzstan	0	0.01	1.06	0.00

TABLE

1.4.4.B CREATIVE GOODS: TOP 10 IMPORTERS AMONG ECONOMIES IN TRANSITION, BY PRODUCT GROUP, 2005

CONTINUED

Importer	Value (c.i.f. in millions of $)	2005 As % of country total	2005 As % of total for economies in transition	2005 As % of world total
NEW MEDIA				
World	**13,402**	**3.82**	**-**	**100.00**
Developed economies (1)	**10,718**	**3.79**	**-**	**79.97**
Developing economies	**2,465**	**4.06**	**-**	**18.39**
Economies in transition (2)	**187**	**3.12**	**-**	**1.39**
Russian Federation	86	3.21	45.94	0.64
Ukraine	39	5.94	21.01	0.29
Croatia	28	3.15	14.75	0.21
Kazakhstan	11	2.55	6.12	0.09
Bosnia and Herzegovina	5	1.99	2.80	0.04
Serbia and Montenegro	5	1.57	2.49	0.03
Macedonia, TFYR	3	3.20	1.67	0.02
Belarus	3	1.55	1.63	0.02
Albania	3	2.25	1.43	0.02
Moldova	1	1.44	0.78	0.01
Video games				
World	**10,966**	**3.13**	**-**	**100.00**
Developed economies (1)	**8,853**	**3.12**	**-**	**80.73**
Developing economies	**1,905**	**3.13**	**-**	**17.37**
Economies in transition (2)	**177**	**2.96**	**-**	**1.61**
Russian Federation	84	3.15	47.72	0.77
Ukraine	39	5.93	22.19	0.36
Croatia	26	2.98	14.76	0.24
Kazakhstan	6	1.41	3.58	0.06
Bosnia and Herzegovina	5	1.91	2.84	0.05
Serbia and Montenegro	4	1.49	2.49	0.04
Macedonia, TFYR	3	3.13	1.72	0.03
Belarus	3	1.46	1.63	0.03
Albania	3	2.15	1.44	0.02
Moldova	1	1.23	0.71	0.01
Books				
World	**13,836**	**3.94**	**-**	**100.00**
Developed economies (1)	**10,305**	**3.65**	**-**	**74.48**
Developing economies	**3,266**	**5.37**	**-**	**23.60**
Economies in transition (2)	**234**	**3.91**	**-**	**1.69**
Russian Federation	99	3.71	42.50	0.72
Croatia	29	3.26	12.20	0.21
Ukraine	25	3.79	10.72	0.18
Kazakhstan	24	5.28	10.12	0.17
Serbia and Montenegro	15	4.90	6.20	0.10
Bosnia and Herzegovina	14	5.20	5.86	0.10
Belarus	9	4.82	4.05	0.07
Azerbaijan	7	7.35	2.85	0.05
Moldova	3	3.12	1.36	0.02
Macedonia, TFYR	3	3.08	1.28	0.02
Other publishing				
World	**14,866**	**4.24**	**-**	**100.00**
Developed economies (1)	**11,027**	**3.90**	**-**	**74.17**
Developing economies	**3,372**	**5.55**	**-**	**22.68**
Economies in transition (2)	**373**	**6.24**	**-**	**2.51**
Russian Federation	211	7.89	56.67	1.42
Ukraine	37	5.58	9.90	0.25
Croatia	36	4.08	9.59	0.24
Kazakhstan	20	4.56	5.49	0.14
Azerbaijan	12	13.05	3.17	0.08
Moldova	11	10.41	2.85	0.07
Belarus	10	5.27	2.78	0.07
Serbia and Montenegro	10	3.27	2.60	0.07
Bosnia and Herzegovina	9	3.32	2.35	0.06
Georgia	7	8.71	1.81	0.05
Painting				
World	**963**	**0.27**	**-**	**100.00**
Developed economies (1)	**870**	**0.31**	**-**	**90.38**
Developing economies	**85**	**0.14**	**-**	**8.81**
Economies in transition (2)	**7**	**0.10**	**-**	**0.69**
Russian Federation	4	0.16	61.78	0.45
Croatia	1	0.07	8.30	0.06
Kazakhstan	0	0.10	6.23	0.05
Albania	0	0.33	5.56	0.04
Serbia and Montenegro	0	0.08	3.56	0.03
Ukraine	0	0.04	3.51	0.03
Bosnia and Herzegovina	0	0.07	2.73	0.02
Belarus	0	0.04	1.25	0.01
Georgia	0	0.08	0.93	0.01
Macedonia, TFYR	0	0.05	0.67	0.00

Importer	Value (c.i.f. in millions of $)	2005 As % of country total	2005 As % of total for economies in transition	2005 As % of world total
Digital records				
World	**2,436**	**0.69**	**-**	**100.00**
Developed economies (1)	**1,865**	**0.66**	**-**	**76.53**
Developing economies	**560**	**0.92**	**-**	**23.00**
Economies in transition (2)	**10**	**0.15**	**-**	**0.39**
Kazakhstan	5	1.14	51.11	0.21
Croatia	1	0.17	14.62	0.06
Russian Federation	1	0.05	14.50	0.06
Azerbaijan	1	0.55	5.02	0.02
Serbia and Montenegro	0	0.08	2.48	0.01
Moldova	0	0.20	2.07	0.01
Bosnia and Herzegovina	0	0.08	1.99	0.01
Belarus	0	0.08	1.65	0.01
Albania	0	0.10	1.18	0.00
Macedonia, TFYR	0	0.07	0.64	0.00
PUBLISHING				
World	**45,783**	**13.05**	**-**	**100.00**
Developed economies (1)	**34,740**	**12.29**	**-**	**75.88**
Developing economies	**9,735**	**16.02**	**-**	**21.26**
Economies in transition (2)	**1,124**	**18.80**	**-**	**2.46**
Russian Federation	543	20.27	48.33	1.19
Ukraine	131	19.81	11.66	0.29
Croatia	114	12.95	10.10	0.25
Kazakhstan	83	18.42	7.35	0.18
Serbia and Montenegro	67	22.64	5.96	0.15
Bosnia and Herzegovina	56	21.21	4.97	0.12
Belarus	46	23.37	4.09	0.10
Azerbaijan	22	24.61	1.98	0.05
Moldova	19	18.54	1.68	0.04
Macedonia, TFYR	13	13.01	1.13	0.03
Newspapers				
World	**17,081**	**4.87**	**-**	**100.00**
Developed economies (1)	**13,409**	**4.75**	**-**	**78.50**
Developing economies	**3,098**	**5.10**	**-**	**18.13**
Economies in transition (2)	**518**	**8.66**	**-**	**3.03**
Russian Federation	232	8.67	44.87	1.36
Ukraine	69	10.44	13.34	0.40
Croatia	49	5.62	9.50	0.29
Serbia and Montenegro	43	14.46	8.26	0.25
Kazakhstan	38	8.58	7.42	0.23
Bosnia and Herzegovina	33	12.69	6.45	0.20
Belarus	26	13.28	5.04	0.15
Macedonia, TFYR	7	7.03	1.32	0.04
Moldova	5	5.01	0.99	0.03
Georgia	4	5.39	0.81	0.02
VISUAL ARTS				
World	**21,111**	**6.02**	**-**	**100.00**
Developed economies (1)	**18,610**	**6.59**	**-**	**88.16**
Developing economies	**2,382**	**3.92**	**-**	**11.28**
Economies in transition (2)	**102**	**1.71**	**-**	**0.48**
Russian Federation	58	2.16	56.63	0.27
Croatia	12	1.39	11.95	0.06
Ukraine	10	1.53	9.94	0.05
Serbia and Montenegro	5	1.59	4.60	0.02
Armenia	3	8.50	3.37	0.02
Bosnia and Herzegovina	3	1.20	3.09	0.01
Kazakhstan	2	0.55	2.41	0.01
Albania	2	1.85	2.16	0.01
Azerbaijan	2	1.82	1.62	0.01
Belarus	2	0.82	1.58	0.01
Photography				
World	**1,674**	**0.48**	**-**	**100.00**
Developed economies (1)	**851**	**0.30**	**-**	**50.82**
Developing economies	**815**	**1.34**	**-**	**48.70**
Economies in transition (2)	**7**	**0.10**	**-**	**0.41**
Russian Federation	2	0.09	34.14	0.14
Ukraine	1	0.22	20.86	0.09
Croatia	1	0.09	10.72	0.04
Albania	1	0.60	10.12	0.04
Serbia and Montenegro	0	0.16	6.94	0.03
Bosnia and Herzegovina	0	0.18	6.71	0.03
Kazakhstan	0	0.03	1.76	0.01
Macedonia, TFYR	0	0.12	1.64	0.01
Belarus	0	0.06	1.56	0.01
Georgia	0	0.14	1.55	0.01

TABLE
1.4.4.B

Importer	Value (c.i.f. in millions of $)	2005 As % of country total	2005 As % of total for economies in transition	2005 As % of world total
Sculpture				
World	**5,691**	**1.62**	**-**	**100.00**
Developed economies (1)	**4,814**	**1.70**	**-**	**84.59**
Developing economies	**795**	**1.31**	**-**	**13.97**
Economies in transition (2)	**68**	**1.14**	**-**	**1.20**
Russian Federation	37	1.36	53.75	0.64
Croatia	10	1.13	14.56	0.17
Ukraine	8	1.17	11.39	0.14
Serbia and Montenegro	4	1.28	5.58	0.07
Bosnia and Herzegovina	2	0.75	2.91	0.03
Kazakhstan	2	0.37	2.45	0.03
Azerbaijan	2	1.76	2.35	0.03
Belarus	1	0.71	2.06	0.02
Albania	1	0.84	1.46	0.02
Macedonia, TFYR	1	0.95	1.36	0.02
Other visual arts				
World	**10,166**	**2.90**	**-**	**100.00**
Developed economies (1)	**9,628**	**3.41**	**-**	**94.70**
Developing economies	**519**	**0.85**	**-**	**5.10**
Economies in transition (2)	**20**	**0.33**	**-**	**0.19**
Russian Federation	14	0.52	69.63	0.14
Armenia	3	7.64	15.57	0.03
Croatia	1	0.10	4.41	0.01
Ukraine	1	0.10	3.43	0.01
Bosnia and Herzegovina	1	0.20	2.61	0.01
Kazakhstan	0	0.05	1.17	0.00
Serbia and Montenegro	0	0.05	0.81	0.00
Albania	0	0.08	0.49	0.00
Georgia	0	0.10	0.40	0.00
Macedonia, TFYR	0	0.05	0.25	0.00

Importer	Value (c.i.f. in millions of $)	2005 As % of country total	2005 As % of total for economies in transition	2005 As % of world total
Antiques				
World	**2,617**	**0.75**	**-**	**100.00**
Developed economies (1)	**2,448**	**0.87**	**-**	**93.55**
Developing economies	**168**	**0.28**	**-**	**6.42**
Economies in transition (2)	**1**	**0.01**	**-**	**0.03**
Russian Federation	1	0.03	82.16	0.03
Croatia	0	0.01	10.02	0.00
Armenia	0	0.12	5.65	0.00
Albania	0	0.01	1.06	0.00
Serbia and Montenegro	0	0.00	0.46	0.00
Ukraine	0	0.00	0.35	0.00
Bosnia and Herzegovina	0	0.00	0.13	0.00
Moldova	0	0.00	0.10	0.00
Georgia	0	0.00	0.01	0.00
Azerbaijan	0	0.00	0.00	0.00

SOURCE: UNCTAD secretariat calculations based on United Nations Comtrade database data.

NOTES: (1) Developed economies, including Bulgaria and Romania.

(2) Excluding Bulgaria and Romania, which are included in the European Union (EU-27).

TABLE 1.5.A1

CREATIVE GOODS: EXPORTS, BY TRADE GROUP, 1996-2005

EXPORTS (f.o.b., in millions of $)

Trade group	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
AMERICA										
FTAA	30,332	33,306	34,530	34,646	37,879	37,843	35,757	36,406	40,526	45,560
MERCOSUR	449	1,440	1,360	1,321	1,407	1,412	1,502	1,669	2,206	2,661
NAFTA	29,534	30,793	31,848	32,071	35,203	35,087	33,052	33,466	36,830	41,192
ASIA										
ASEAN	2,346	6,075	6,447	9,125	11,616	10,893	10,701	11,649	13,644	14,361
ASEAN plus China, Japan and Republic of Korea	27,437	35,986	37,422	43,035	48,476	46,834	52,367	60,202	70,766	84,210
EUROPE										
EU-27	96,115	93,190	96,671	95,878	95,378	99,445	106,059	121,418	136,922	145,056
INTERNATIONAL										
ACP	20	474	524	595	915	871	907	994	1,236	1,387

SOURCE: UNCTAD secretariat calculations based on United Nations Comtrade database data.

TABLE 1.5.A2

CREATIVE GOODS: EXPORTS, BY TRADE GROUP, AS % OF TOTAL EXPORTS OF CREATIVE GOODS BY ALL TRADE GROUPS, 1996-2005

EXPORTS (f.o.b., in millions of $)

Trade group	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
AMERICA										
FTAA	16.03	16.51	16.68	16.25	16.56	16.62	14.93	13.58	13.27	13.58
MERCOSUR	0.24	0.71	0.66	0.62	0.62	0.62	0.63	0.62	0.72	0.79
NAFTA	15.61	15.26	15.39	15.04	15.39	15.41	13.80	12.48	12.06	12.28
ASIA										
ASEAN	1.24	3.01	3.11	4.28	5.08	4.79	4.47	4.35	4.47	4.28
ASEAN plus China, Japan and Republic of Korea	14.50	17.84	18.08	20.18	21.20	20.57	21.87	22.46	23.17	25.10
EUROPE										
EU-27	50.80	46.19	46.70	44.96	41.71	43.69	44.29	45.30	44.83	43.24
INTERNATIONAL										
ACP	0.01	0.24	0.25	0.28	0.40	0.38	0.38	0.37	0.40	0.41

SOURCE: UNCTAD secretariat calculations based on United Nations Comtrade database data.

TABLE 1.5.B1

CREATIVE GOODS: IMPORTS, BY TRADE GROUP, 1996-2005

IMPORTS (c.i.f., in millions of $)

1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	Trade group
										AMERICA
57,795	67,975	75,819	81,329	90,204	90,019	93,719	97,436	106,693	117,998	FTAA
651	2,427	2,517	1,967	1,929	1,655	849	821	1,184	1,563	MERCOSUR
56,330	63,322	69,920	76,201	84,884	84,697	89,607	93,415	102,109	111,731	NAFTA
										ASIA
265	4,704	2,938	3,827	4,743	4,316	4,618	5,446	6,102	6,478	ASEAN
20,026	22,863	17,185	19,496	22,882	22,903	23,294	25,994	28,832	31,991	ASEAN plus China, Japan and Republic of Korea
										EUROPE
80,230	80,382	85,437	86,600	85,079	87,437	94,286	110,807	127,223	137,957	EU-27
										INTERNATIONAL
111	1,319	1,680	1,960	2,489	2,874	2,686	3,186	3,447	4,249	ACP

SOURCE: UNCTAD secretariat calculations based on United Nations Comtrade database data.

TABLE 1.5.B2

CREATIVE GOODS: IMPORTS, BY TRADE GROUP, AS % OF TOTAL IMPORTS OF CREATIVE GOODS BY ALL TRADE GROUPS, 1996-2005

IMPORTS (c.i.f., in millions of $)

1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	Trade group
										AMERICA
30.34	32.64	35.34	36.17	37.17	37.00	36.45	34.19	33.17	33.63	FTAA
0.34	1.17	1.17	0.87	0.79	0.68	0.33	0.29	0.37	0.45	MERCOSUR
29.57	30.40	32.59	33.89	34.98	34.81	34.85	32.78	31.75	31.84	NAFTA
										ASIA
0.14	2.26	1.37	1.70	1.95	1.77	1.80	1.91	1.90	1.85	ASEAN
10.51	10.98	8.01	8.67	9.43	9.41	9.06	9.12	8.96	9.12	ASEAN plus China, Japan and Republic of Korea
										EUROPE
42.12	38.59	39.83	38.51	35.06	35.94	36.67	38.88	39.55	39.32	EU-27
										INTERNATIONAL
0.06	0.63	0.78	0.87	1.03	1.18	1.04	1.12	1.07	1.21	ACP

SOURCE: UNCTAD secretariat calculations based on United Nations Comtrade database data.

CATEGORIES OF SERVICES THAT INCLUDE CREATIVE INDUSTRIES: EXPORTS OF ALL CREATIVE SERVICES (1), BY COUNTRY/TERRITORY, 1996-2005

TABLE 2.1.A

EXPORTS (in millions of $)

Country/territory	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
TOTAL - REPORTING COUNTRIES	**38,237**	**36,168**	**43,551**	**46,651**	**52,170**	**52,321**	**61,789**	**71,215**	**80,455**	**88,933**
Albania	-	-	-	-	-	-	2	5	8	18
Angola*	-	-	-	-	-	-	1	1	3	5
Argentina	18	30	24	32	54	89	200	255	328	377
Armenia	2	3	7	5	2	2	2	2	6	6
Australia	595	672	689	786	1,548	736	876	1,018	1,005	1,192
Austria*	202	211	212	224	193	212	204	266	327	355
Azerbaijan	-	-	-	-	-	-	-	2	3	3
Bangladesh	0	0	1	0	1	11	13	21	19	19
Barbados*	0	0	0	0	0	0	1	1	-	0
Belarus	-	-	-	-	75	82	82	24	31	37
Belgium	-	-	-	-	-	-	3,789	5,224	5,609	5,984
Benin	0	0	0	0	0	0	0	0	1	-
Bolivia*	-	-	-	1	1	1	1	1	1	1
Botswana	-	3	8	5	15	9	10	5	9	9
Brazil	334	983	1,404	1,154	1,919	1,732	1,754	1,664	2,171	2,960
Bulgaria	-	-	-	-	36	51	57	66	74	105
Burkina Faso	-	-	-	-	0	0	-	-	-	-
Cambodia*	-	-	0	1	1	1	1	1	1	1
Cameroon*	-	-	0	0	1	1	2	11	-	-
Canada	4,438	4,790	5,370	5,326	6,423	5,590	5,822	6,577	7,083	7,800
Cape Verde	-	-	-	0	0	0	0	0	0	0
Chile*	28	28	28	23	22	29	39	68	73	86
China	-	594	744	508	590	1,194	1,687	2,405	890	1,210
China, SAR of Hong Kong*	-	-	113	85	51	99	112	137	290	-
Colombia	25	22	29	36	52	56	61	83	117	143
Congo*	2	2	5	7	12	17	21	9	11	-
Costa Rica	-	5	4	6	1	1	4	2	2	3
Côte d'Ivoire	4	4	4	4	3	4	4	5	5	-
Croatia	50	83	127	154	177	196	247	334	413	441
Cyprus	5	5	5	6	6	10	50	57	101	122
Czech Republic	131	281	501	441	371	364	325	221	260	273
Ecuador*	17	14	17	12	39	24	32	34	36	39
Egypt	16	20	19	24	26	43	69	84	82	102
El Salvador	-	-	-	1	2	1	1	1	1	1
Eritrea*	-	-	-	0	-	-	-	-	-	-
Estonia	0	0	1	1	1	2	1	67	95	102
Ethiopia	2	2	4	7	8	8	7	5	4	2
Faeroe Islands*	-	-	0	0	1	0	1	1	-	-
Finland	130	151	140	4	524	487	510	784	16	924
France	9,357	1,411	1,428	1,344	1,591	1,429	1,520	1,868	2,298	2,158
Georgia*	-	-	-	-	-	-	0	0	2	3
Germany	7,244	8,322	8,703	8,175	8,367	8,203	9,176	14,514	17,558	20,624
Greece	-	-	-	279	351	326	343	548	1,253	433
Guatemala	-	-	-	-	-	1	2	9	3	4
Guinea*	-	0	-	-	-	0	0	-	-	-
Hungary	46	61	89	91	207	600	527	845	1,662	1,863
Iceland*	3	5	6	10	7	8	5	4	9	16
Indonesia*	-	-	-	-	-	-	-	-	47	57
Ireland	-	-	-	166	163	1,649	1,483	1,228	442	871
Italy	2,020	1,951	1,947	4,166	3,759	3,832	4,284	4,511	5,088	5,432
Jamaica	9	9	11	10	11	10	9	20	29	30
Japan*	178	234	429	239	116	118	315	140	72	97
Kazakhstan	7	9	27	73	24	25	31	28	40	60
Kenya*	-	-	-	-	0	0	0	0	0	0
Kyrgyzstan	10	8	7	5	4	8	15	19	36	55
Latvia	0	0	1	0	37	52	61	79	108	142
Lebanon*	-	-	-	-	-	-	0	-	-	0
Lithuania	-	7	16	8	26	37	55	77	67	69
Luxembourg*	177	190	338	340	376	330	164	165	190	237
Macedonia, TFYR	4	2	3	2	3	2	10	34	46	45
Madagascar	12	-	-	-	0	0	1	2	3	1
Malaysia	-	-	-	1,499	1,537	1,911	1,566	1,835	1,657	1,562
Mali	-	-	0	0	0	0	0	0	1	-
Malta	-	-	-	-	-	-	-	-	47	57
Mauritius*	-	-	-	-	2	3	5	5	4	2
Mexico*	5	5	5	209	328	318	400	293	358	373
Moldova, Republic of	-	-	1	1	1	2	2	2	2	5
Mongolia*	-	-	-	-	-	-	-	0	1	-
Mozambique	-	-	-	-	-	-	28	8	0	11
Myanmar*	-	-	-	-	-	-	0	0	-	-
Namibia	-	-	-	1	0	-	-	0	2	-
Netherlands	4,061	4,036	4,602	4,677	4,473	3,940	4,303	618	771	902
Netherlands Antilles	3	3	4	4	3	4	1	5	5	5
New Zealand*	21	34	48	100	135	117	111	143	226	175
Niger	0	0	0	0	0	0	0	0	-	-
Norway	616	830	1,243	1,171	1,287	1,173	1,150	1,272	1,432	2,235

TABLE
2.1.A

CONTINUED

EXPORTS (in millions of $)

Country/territory	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Occupied Palestinian Territory*	-	-	1	5	9	2	1	3	1	-
Pakistan	26	22	54	21	19	15	25	35	38	75
Papua New Guinea*	-	-	-	-	-	-	-	-	0	0
Paraguay	12	14	14	15	16	14	15	14	16	20
Philippines*	-	-	-	19	18	15	7	9	7	20
Poland	239	257	272	198	209	261	312	350	669	1,044
Portugal	300	269	347	321	345	396	499	496	654	694
Republic of Korea*	-	5	14	29	137	138	185	76	128	261
Romania	65	78	83	120	143	157	217	264	378	401
Russian Federation	-	-	-	-	-	1,044	1,370	2,183	2,628	3,384
Samoa*	-	-	-	-	-	-	-	-	0	1
Senegal	1	1	4	1	1	0	0	2	-	-
Singapore*	9	9	9	18	19	34	127	154	189	197
Slovakia	48	70	154	116	129	-	120	162	-	-
Slovenia	76	81	90	98	99	111	130	189	305	324
Solomon Islands*	-	-	1	0	-	-	-	-	-	-
South Africa*	-	-	-	-	-	37	38	60	88	114
Spain	1,878	2,095	2,565	2,351	2,686	3,052	3,553	4,389	5,386	5,745
Sudan*	-	-	-	-	1	-	-	0	-	-
Swaziland	-	-	-	-	-	-	-	1	22	2
Sweden	813	1,117	1,888	2,018	2,272	2,092	3,190	3,861	4,127	4,476
Switzerland*	10	5	10	7	7	5	4	4	4	5
Syrian Arab Republic*	-	-	-	-	-	-	-	-	75	95
Tajikistan	-	-	-	-	-	-	1	0	1	1
Togo	0	0	1	0	0	0	0	0	0	-
Tonga*	-	-	-	-	-	0	0	-	-	-
Tunisia	3	2	28	36	3	4	3	5	10	4
Turkey*	949	2,225	3,579	2,615	2,591	1,074	1,355	781	1,418	1,079
Ukraine	-	-	-	-	97	80	96	198	295	458
United Kingdom*	1,204	1,342	1,458	1,555	1,973	1,954	2,410	3,086	3,928	3,583
United Republic of Tanzania*	-	-	3	1	0	0	1	1	0	1
United States*	2,830	3,530	4,560	5,628	6,379	6,618	6,534	7,137	7,511	7,060
Uruguay*	-	-	0	0	5	4	0	0	1	1
Venezuela	-	25	52	59	55	58	40	36	43	45

SOURCE: UNCTAD calculations based on IMF balance of payments statistics on CD-ROM.

NOTES: (1) "All creative services" is composed of the following categories of services: "advertising, market research and public opinion polling services"; "architectural, engineering and other technical services"; "research and development services"; and "personal, cultural and recreational services". "Audiovisual and related services" and "other personal, cultural and recreational services" are sub-items of "personal, cultural and recreational services". Please refer to the General explanatory notes, paragraph 14, for definitions.

(2) The figures in this table cannot be used for international comparisons or ranking because most countries do not report all categories of creative services and the reported categories vary with countries. Therefore, the figures present only the aggregation of reported categories by country.

(3) Countries that report only "personal, cultural and recreational services" (a category that includes "audiovisual and related services" and "other personal, cultural and recreational services") are marked with an asterisk (*).

CATEGORIES OF SERVICES THAT INCLUDE CREATIVE INDUSTRIES: IMPORTS OF ALL CREATIVE SERVICES (1), BY COUNTRY/TERRITORY, 1996-2005

TABLE 2.1.B

IMPORTS (in millions of $)

Country/territory	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
TOTAL - REPORTING COUNTRIES	**43,803**	**40,907**	**46,989**	**53,817**	**55,031**	**63,870**	**70,248**	**73,994**	**79,397**	**85,736**
Albania	-	-	-	-	-	-	7	8	30	107
Angola*	-	-	-	-	-	-	15	11	28	45
Argentina	133	197	220	189	266	313	157	176	243	246
Armenia	0	3	4	3	1	5	5	6	7	8
Australia	899	994	853	967	863	720	848	1,000	1,185	1,261
Austria*	228	248	229	208	174	191	213	292	395	366
Azerbaijan	-	-	-	-	-	-	-	5	5	5
Bahamas	19	17	12	19	24	20	2	24	40	63
Bangladesh	1	1	-	-	0	45	29	37	40	69
Barbados*	0	0	0	0	0	0	-	0	1	0
Belarus	-	-	-	-	38	24	22	38	39	61
Belgium	-	-	-	-	-	-	3,557	4,393	4,896	5,139
Belize	19	17	12	19	24	20	2	25	42	64
Benin	0	0	0	0	0	0	0	0	0	-
Bolivia*	-	5	6	2	2	2	2	4	5	6
Botswana	-	54	94	48	25	27	26	37	44	21
Brazil	692	1,119	1,424	1,339	1,490	1,493	1,277	1,435	1,678	2,159
Bulgaria	-	-	-	-	48	125	99	172	148	215
Burkina Faso	-	-	-	-	0	0	-	-	-	-
Burundi	0	0	0	0	0	0	0	0	9	15
Cambodia*	-	-	1	2	2	3	3	3	4	4
Cameroon*	-	-	1	1	1	1	1	10	-	-
Canada	3,007	3,119	3,491	3,646	4,199	3,842	3,929	4,739	5,224	5,503
Cape Verde	-	-	0	1	2	1	2	3	4	3
Chile*	25	30	45	42	44	36	44	47	52	56
China	-	753	1,062	777	880	1,810	3,121	3,977	874	869
China, SAR of Hong Kong*	-	-	51	47	65	70	68	68	52	-
Colombia	352	301	321	274	258	285	254	253	359	386
Congo*	6	5	2	3	5	5	5	3	4	-
Costa Rica	1	6	6	7	30	18	41	36	32	27
Côte d'Ivoire	1	3	3	3	3	1	2	2	2	-
Croatia	124	140	234	237	239	227	296	379	488	537
Cyprus	10	10	11	12	13	10	54	76	135	134
Czech Republic	178	470	627	506	462	512	565	482	566	666
Dominican Republic	0	0	0	0	0	0	2	11	10	11
Ecuador*	34	29	28	34	52	71	86	92	98	106
Egypt*	7	21	22	20	21	22	14	15	15	22
El Salvador	-	-	-	0	2	2	2	2	3	3
Eritrea*	-	-	0	0	0	-	-	-	-	-
Estonia	1	3	2	1	2	3	1	41	48	51
Ethiopia	19	25	19	14	25	27	18	28	28	27
Faeroe Islands*	-	-	0	1	1	1	1	1	-	-
Finland	444	459	478	43	432	365	632	1,000	1,017	1,542
France	8,120	1,818	1,800	1,711	1,976	2,058	2,079	2,332	2,624	2,821
Georgia	-	-	-	-	-	-	1	2	2	2
Germany	12,283	12,611	13,541	15,655	15,193	17,970	16,191	17,353	19,439	20,748
Greece	-	-	-	241	256	321	308	338	552	415
Guatemala	-	-	0	-	-	2	7	5	2	1
Guinea	0	0	1	0	0	0	1	0	1	-
Haiti*	-	-	-	-	-	-	-	-	-	17
Honduras*	3	4	7	7	8	8	9	6	5	6
Hungary	31	38	48	43	151	563	491	845	1,911	2,209
Iceland*	11	10	11	13	15	13	12	11	12	13
Indonesia*	-	-	-	-	-	-	-	-	184	166
Ireland	-	-	-	32	26	3,679	5,152	5,663	3,992	4,550
Italy	2,786	2,700	3,285	5,219	4,790	4,257	3,808	4,444	5,450	6,155
Jamaica	28	41	35	34	43	44	54	47	30	36
Japan*	1,209	1,086	1,261	1,137	1,275	1,391	1,190	946	1,081	1,115
Kazakhstan	133	38	30	24	178	299	458	709	1,354	1,634
Kenya	-	15	-	0	2	1	4	2	1	1
Kyrgyzstan	21	6	10	8	21	12	25	32	31	64
Latvia	-	0	0	0	40	43	44	38	70	85
Lebanon*	-	-	-	-	-	-	0	-	-	0
Lesotho	-	-	-	0	0	0	0	0	0	-
Libyan Arab Jamahiriya*	0	0	0	0	0	0	1	9	9	10
Lithuania	-	14	20	20	22	25	26	28	41	44
Luxembourg*	414	370	465	509	481	435	311	420	476	329
Macedonia, TFYR	3	4	3	3	3	5	15	51	62	72
Madagascar	0	0	0	0	0	0	0	29	7	5
Malawi	3	3	3	6	7	6	9	-	-	-
Malaysia	-	-	-	2,117	2,184	2,418	2,790	2,922	1,899	1,855
Mali	-	0	0	0	0	0	0	0	14	-
Malta	2	5	5	4	4	4	6	8	37	39
Mauritius*	-	-	-	-	4	5	10	14	21	31
Mexico*	5	6	6	227	245	198	260	221	225	275
Moldova, Republic of	-	-	2	3	9	3	8	4	9	10

TABLE

2.1.B

CONTINUED

IMPORTS (in millions of $)

Country/territory	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Mongolia*	-	-	-	-	-	-	-	0	-	-
Mozambique	-	-	-	-	-	23	65	46	0	18
Myanmar*	-	-	-	0	0	0	0	6	3	-
Namibia	-	-	-	69	38	34	24	20	62	-
Netherlands	3,386	3,533	3,787	4,089	4,493	4,895	5,207	746	880	946
Netherlands Antilles	2	3	3	4	2	1	1	3	2	2
New Zealand	10	13	136	25	36	155	65	254	299	342
Niger	0	0	0	0	0	0	0	1	0	-
Norway	355	469	812	827	815	619	551	664	858	1,460
Occupied Palestinian Territory*	-	-	14	13	13	22	38	36	16	-
Pakistan	11	12	45	42	64	86	71	55	23	50
Papua New Guinea*	-	-	-	-	-	-	-	-	0	0
Paraguay	-	-	1	2	1	3	5	7	3	1
Philippines*	0	0	0	27	32	37	17	15	15	9
Poland	337	347	387	498	606	577	782	831	917	1,107
Portugal	485	502	691	644	574	522	537	627	820	859
Republic of Korea*	121	137	92	153	160	206	283	261	376	473
Romania	75	100	121	181	194	201	263	327	350	385
Russian Federation	-	-	-	-	-	1,599	1,808	1,752	2,232	2,444
Samoa	-	-	-	-	-	-	-	-	-	-
Senegal	1	1	0	1	1	1	0	3	0	-
Sierra Leone	-	-	-	-	-	-	1	1	2	0
Singapore*	35	41	34	51	82	171	265	241	267	278
Slovakia	101	119	255	165	193	-	156	331	-	-
Slovenia	138	139	158	158	154	163	194	256	314	404
Solomon Islands*	-	-	-	0	-	-	-	-	-	-
South Africa*	-	-	-	-	-	3	3	3	5	8
Spain	2,584	2,808	2,787	3,233	3,428	3,146	3,612	4,527	5,593	5,581
Sudan	-	0	-	2	-	-	-	0	-	-
Swaziland	28	41	4	4	33	6	8	7	38	27
Sweden	1,102	1,488	3,161	3,568	4,138	4,868	4,915	5,298	5,875	5,650
Switzerland *	78	80	71	69	61	65	67	90	96	87
Syrian Arab Republic*	-	-	-	-	-	-	-	-	1	1
Tajikistan	-	-	-	-	-	-	1	0	1	2
Togo	0	0	1	0	0	0	0	-	0	-
Tonga*	-	-	-	-	-	0	0	-	-	-
Tunisia	10	10	100	110	9	10	5	4	6	6
Turkey	1,798	2,634	3,163	3,050	1,547	293	207	117	186	107
Ukraine	-	-	-	-	246	789	926	303	424	413
United Kingdom*	867	894	810	983	1,181	1,041	1,198	1,396	1,655	1,441
United Republic of Tanzania*	-	-	0	0	0	0	-	1	0	0
United States*	180	150	122	119	132	121	137	206	409	915
Uruguay*	-	-	26	27	13	16	18	10	7	7
Venezuela	845	586	415	225	160	140	147	135	266	210
Yemen	-	-	-	-	-	-	-	-	0	0

SOURCE: UNCTAD calculations based on IMF balance of payments statistics on CD-ROM.

NOTES: (1) "All creative services" is composed of the following categories of services: "advertising, market research and public opinion polling services"; "architectural, engineering and other technical services"; "research and development services"; and "personal, cultural and recreational services". "Audiovisual and related services" and "other personal, cultural and recreational services" are sub-items of "personal, cultural and recreational services". Please refer to the General explanatory notes, paragraph 14, for definitions.

(2) The figures in this table cannot be used for international comparisons or ranking because most countries do not report all categories of creative services and the reported categories vary with countries. Therefore, the figures present only the aggregation of reported categories by country.

(3) Countries that report only "personal, cultural and recreational services" (a category that includes "audiovisual and related services" and "other personal, cultural and recreational services") are marked with an asterisk (*).

CATEGORIES OF SERVICES THAT INCLUDE CREATIVE INDUSTRIES: EXPORTS OF ADVERTISING, MARKET RESEARCH AND PUBLIC OPINION POLLING SERVICES, BY ECONOMIC GROUP AND COUNTRY/TERRITORY, 1996-2005

TABLE 2.2.A

EXPORTS (in millions of $)

Economic group and country/territory	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
TOTAL - REPORTING ECONOMIES	**5,008**	**4,545**	**4,553**	**4,249**	**5,117**	**6,346**	**8,809**	**11,040**	**13,349**	**15,703**
DEVELOPED ECONOMIES	**4,899**	**4,143**	**4,129**	**3,805**	**4,587**	**5,297**	**7,531**	**9,278**	**10,738**	**12,418**
Australia	44	59	62	64	69	63	71	79	65	80
Belgium	-	-	-	-	-	-	1,899	2,617	2,470	2,569
Canada	164	215	248	217	334	326	350	256	258	371
Cyprus	-	-	-	-	-	-	31	22	40	52
Czech Republic	21	48	88	65	76	66	45	44	60	57
Estonia	-	-	-	-	-	-	-	47	65	72
Finland	96	116	106	-	52	50	73	128	-	162
France	809	-	-	-	-	-	-	-	-	-
Germany	1,287	1,252	1,217	1,077	1,134	1,233	1,352	1,561	2,415	3,252
Greece	-	-	-	48	64	99	89	158	206	175
Hungary	-	-	-	-	-	-	-	-	182	204
Ireland	-	-	-	-	-	570	244	199	-	-
Italy	780	817	934	935	1,052	1,045	1,036	1,073	1,340	1,361
Latvia	-	-	-	-	28	41	49	61	86	113
Lithuania	-	5	10	5	11	22	30	46	47	45
Malta	-	-	-	-	-	-	-	-	3	2
Norway	77	81	92	92	153	71	74	84	108	173
Poland	38	58	56	29	45	57	37	104	235	411
Portugal	81	68	92	75	98	127	181	179	218	225
Romania	7	11	11	25	30	40	53	49	57	147
Slovakia	10	8	19	14	18	-	16	26	-	-
Slovenia	35	42	48	46	42	48	61	99	183	192
Spain	638	671	760	717	952	1,028	1,407	1,881	2,106	2,096
Sweden	813	694	386	394	429	410	434	566	594	659
DEVELOPING ECONOMIES	**95**	**376**	**389**	**402**	**446**	**508**	**565**	**689**	**1,103**	**1,397**
Argentina	2	3	4	6	14	20	35	39	79	107
Bangladesh	-	-	-	-	-	4	5	8	10	8
Benin	-	-	-	0	0	0	0	0	0	-
Botswana	-	0	0	0	1	1	0	1	1	2
Brazil	63	101	131	138	170	157	110	102	111	128
Burkina Faso	-	-	-	-	-	0	-	-	-	-
Cape Verde	-	-	-	-	-	0	0	0	0	0
China	-	238	211	221	223	277	373	486	849	1,076
Colombia	16	14	19	14	13	12	9	13	19	24
Costa Rica	-	5	4	6	1	1	4	2	2	2
Côte d'Ivoire	4	3	4	3	3	4	4	4	5	-
Egypt	9	9	7	5	11	24	16	12	13	19
El Salvador	-	-	-	1	1	1	1	1	1	1
Ethiopia	-	0	0	0	0	0	0	0	0	2
Guatemala	-	-	-	-	-	1	2	9	2	3
Guinea	-	-	-	-	-	0	-	-	-	-
Jamaica	1	0	1	1	1	1	-	-	0	0
Madagascar	-	-	-	-	0	0	0	0	0	0
Mali	-	-	0	0	-	0	0	0	0	-
Mozambique	-	-	-	-	-	-	1	0	-	7
Netherlands Antilles	0	0	0	0	-	-	-	0	0	0
Niger	0	0	0	0	0	0	0	0	-	-
Pakistan	-	-	4	5	6	6	6	9	10	17
Paraguay	-	-	-	-	0	-	-	-	-	-
Senegal	1	1	4	1	1	0	0	2	-	-
Swaziland	-	-	-	-	-	-	-	0	0	0
Togo	0	0	0	0	0	0	0	0	0	-
ECONOMIES IN TRANSITION	**14**	**26**	**35**	**42**	**84**	**541**	**713**	**1,073**	**1,508**	**1,889**
Albania	-	-	-	-	-	-	-	0	-	0
Armenia	-	-	-	-	1	-	-	0	1	1
Azerbaijan	-	-	-	-	-	-	-	-	-	0
Belarus	-	-	-	-	5	9	9	14	5	6
Bulgaria	-	-	-	-	4	5	5	6	13	19
Croatia	14	25	34	41	58	81	97	158	193	191
Georgia	-	-	-	-	-	-	-	-	-	-
Kazakhstan	-	-	-	-	2	3	6	12	15	19
Kyrgyzstan	-	-	-	-	-	0	0	-	-	3
Macedonia, TFYR	1	1	1	1	1	1	3	11	13	15
Moldova, Republic of	-	-	1	1	1	1	1	2	2	5
Russian Federation	-	-	-	-	-	432	584	856	1,220	1,567
Ukraine	-	-	-	-	12	10	9	14	45	63

SOURCE: UNCTAD calculations based on IMF balance of payments statistics on CD-ROM.

TABLE 2.2.B

CATEGORIES OF SERVICES THAT INCLUDE CREATIVE INDUSTRIES: IMPORTS OF ADVERTISING, MARKET RESEARCH AND PUBLIC OPINION POLLING SERVICES, BY ECONOMIC GROUP AND COUNTRY/TERRITORY, 1996-2005

IMPORTS (in millions of $)

Economic group and country/territory	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
TOTAL - REPORTING COUNTRIES	**9,196**	**8,030**	**8,407**	**8,807**	**9,062**	**11,186**	**13,541**	**15,956**	**15,026**	**16,954**
DEVELOPED ECONOMIES	**8,943**	**7,482**	**7,808**	**8,279**	**8,272**	**10,166**	**11,969**	**14,358**	**12,960**	**14,791**
Australia	128	122	101	80	70	70	88	95	97	135
Belgium	-	-	-	-	-	-	1,787	2,394	2,091	2,174
Bulgaria	-	-	-	-	4	4	7	16	11	22
Canada	357	375	343	348	360	342	330	393	388	551
Cyprus	-	-	-	-	-	-	24	34	47	41
Czech Republic	50	89	104	99	73	71	76	90	126	129
Estonia	-	-	-	-	-	-	-	25	30	34
Finland	300	286	292	-	177	129	284	424	521	847
France	1,307	-	-	-	-	-	-	-	-	-
Germany	3,364	3,533	3,590	4,059	3,730	4,036	3,487	3,663	4,394	4,755
Greece	-	-	-	60	56	72	66	90	122	137
Hungary	-	-	-	-	-	-	-	-	121	144
Ireland	-	-	-	-	-	1,706	2,264	2,855	-	-
Italy	1,313	1,124	1,351	1,241	1,199	1,106	1,008	1,174	1,441	1,575
Latvia	-	-	-	-	22	28	29	17	36	50
Lithuania	-	4	5	7	11	14	13	13	14	20
Malta	-	-	-	-	-	-	-	-	20	23
New Zealand	-	-	74	-	-	62	-	87	124	126
Norway	48	87	51	58	127	76	52	56	74	156
Poland	55	55	58	93	111	103	100	146	141	205
Portugal	82	99	105	151	119	108	130	150	194	207
Romania	11	11	14	42	45	25	31	36	44	99
Slovakia	24	32	34	23	22	-	29	52	-	-
Slovenia	59	64	75	73	69	79	92	125	164	191
Spain	745	657	724	906	938	927	1,074	1,269	1,481	1,891
Sweden	1,102	944	885	1,038	1,137	1,208	999	1,155	1,279	1,281
DEVELOPING ECONOMIES	**201**	**494**	**512**	**444**	**546**	**534**	**626**	**702**	**973**	**1,057**
Argentina	21	21	31	24	26	27	17	19	24	21
Aruba	-	-	-	-	-	-	-	-	-	-
Bahamas	17	15	10	17	22	18	-	22	38	61
Bangladesh	-	-	-	-	-	2	2	2	1	4
Belize	-	-	-	-	-	0	0	0	1	1
Benin	-	-	-	0	0	0	0	0	0	-
Botswana	-	2	3	2	1	2	2	2	2	4
Brazil	41	59	77	65	130	99	66	62	87	103
Burkina Faso	-	-	-	-	0	0	-	-	-	-
Cape Verde	-	-	0	1	0	0	1	1	1	2
China	-	241	265	219	202	258	394	458	698	715
Colombia	66	62	66	60	47	44	26	21	25	22
Costa Rica	-	6	6	7	29	17	41	36	31	26
Côte d'Ivoire	0	3	3	3	2	0	2	1	2	-
Dominican Republic	-	-	-	-	-	-	2	9	8	9
El Salvador	-	-	-	0	1	1	0	0	2	1
Ethiopia	2	2	5	3	1	2	2	2	2	3
Guatemala	-	-	-	-	-	1	2	4	1	1
Guinea	-	0	0	0	0	0	0	0	0	-
Jamaica	25	38	31	30	39	40	50	45	27	34
Lesotho	-	-	-	0	0	-	0	0	0	-
Madagascar	-	-	-	-	0	0	0	0	0	0
Mali	-	-	0	0	0	0	0	0	0	-
Mozambique	-	-	-	-	-	7	0	1	-	11
Netherlands Antilles	0	0	1	1	-	-	-	0	1	0
Niger	0	0	0	0	0	0	0	0	0	-
Pakistan	-	-	3	-	2	1	1	1	6	14
Paraguay	-	-	-	0	0	0	5	5	1	1
Senegal	1	1	0	0	1	1	0	3	-	-
Sierra Leone	-	-	-	-	-	-	1	0	0	0
Swaziland	28	41	4	4	32	5	7	4	1	3
Togo	0	0	0	0	0	0	0	-	0	-
Turkey	-	-	5	7	6	5	2	-	10	19
Venezuela (Bolivarian Republic of)	-	2	1	1	2	2	2	2	2	2
Yemen	-	-	-	-	-	-	-	-	0	0
ECONOMIES IN TRANSITION	**51**	**54**	**87**	**84**	**245**	**487**	**945**	**897**	**1,093**	**1,107**
Albania	-	-	-	-	-	-	-	0	-	3
Armenia	-	-	-	-	0	0	0	0	1	2
Azerbaijan	-	-	-	-	-	-	-	-	-	0
Belarus	-	-	-	-	5	5	5	5	2	1
Croatia	50	52	84	80	98	95	112	163	181	180
Georgia	-	-	-	-	-	-	1	1	1	1
Kazakhstan	-	-	-	-	1	2	5	6	9	9
Kyrgyzstan	-	-	-	-	-	0	0	0	0	1
Macedonia, TFYR	2	2	1	1	1	2	4	12	17	18
Moldova, Republic of	-	-	2	3	9	3	8	4	9	9
Russian Federation	-	-	-	-	-	309	642	591	653	796
Ukraine	-	-	-	-	130	70	169	114	221	86

SOURCE: UNCTAD calculations based on IMF balance of payments statistics on CD-ROM.

CATEGORIES OF SERVICES THAT INCLUDE CREATIVE INDUSTRIES: EXPORTS OF ARCHITECTURAL, ENGINEERING AND OTHER TECHNICAL SERVICES, BY ECONOMIC GROUP AND COUNTRY/TERRITORY, 1996-2005

TABLE 2.3.A

EXPORTS (in millions of $)

Economic group and country/territory	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
TOTAL - REPORTING ECONOMIES	**9,828**	**10,878**	**13,653**	**16,554**	**17,368**	**17,754**	**18,565**	**19,589**	**23,014**	**27,722**
DEVELOPED ECONOMIES	**9,552**	**10,034**	**12,283**	**13,902**	**13,865**	**13,718**	**16,164**	**16,745**	**19,508**	**23,081**
Australia	241	235	274	312	444	294	314	358	349	494
Belgium	-	-	-	-	-	-	807	1,015	1,145	1,303
Canada	2,124	2,200	2,166	1,565	1,788	1,898	2,596	2,666	3,194	3,366
Cyprus	-	-	-	-	-	-	3	7	12	16
Czech Republic	-	102	89	97	85	91	76	56	46	48
Estonia	-	-	-	-	-	-	-	6	11	12
Finland	-	-	-	-	270	204	237	307	-	408
Germany	2,461	2,228	2,663	2,701	2,718	2,968	3,079	6,959	8,381	9,754
Hungary	-	-	-	-	-	-	-	-	85	126
Ireland	-	-	-	-	-	405	536	263	-	-
Italy	29	25	8	2,087	1,594	1,402	1,550	1,765	1,910	2,318
Latvia	-	-	-	-	4	6	5	7	11	13
Lithuania	-	1	3	2	3	4	5	11	7	11
Malta	-	-	-	-	-	-	-	-	7	8
Netherlands	3,561	3,580	4,134	4,140	3,921	3,407	3,765	-	-	-
Norway	285	497	908	826	837	797	747	827	939	1,392
Poland	151	136	107	85	94	109	176	150	246	371
Portugal	109	83	90	119	97	114	174	155	214	226
Romania	3	6	5	21	30	30	51	87	93	128
Slovakia	14	21	67	51	49	-	30	56	-	-
Slovenia	20	17	18	25	32	34	37	50	66	75
Spain	553	621	687	721	790	940	962	1,104	1,547	1,690
Sweden	-	283	1,065	1,150	1,108	1,016	1,013	896	1,245	1,323
DEVELOPING ECONOMIES	**243**	**799**	**1,311**	**2,579**	**3,307**	**3,524**	**1,737**	**1,684**	**2,238**	**2,998**
Argentina	4	3	4	5	8	12	39	51	50	52
Bangladesh	-	-	-	-	-	4	4	4	3	4
Benin	-	-	-	-	-	-	-	-	1	-
Botswana	-	2	7	5	14	7	8	2	4	4
Brazil	210	753	1,157	975	1,686	1,517	1,586	1,509	2,014	2,739
Burkina Faso	-	-	-	-	0	0	-	-	-	-
Cape Verde	-	-	-	0	0	0	0	-	-	-
Colombia	2	2	3	6	15	19	25	39	59	78
Costa Rica	-	-	-	-	0	-	-	-	-	-
Côte d'Ivoire	-	1	0	0	0	0	0	0	0	-
Ethiopia	2	2	0	2	1	4	1	1	0	0
Madagascar	12	-	-	-	-	-	-	2	3	1
Malaysia	-	-	-	1,467	1,504	1,882	-	-	-	-
Mali	-	-	-	-	-	0	-	-	0	-
Mozambique	-	-	-	-	-	-	4	2	-	1
Namibia	-	-	-	1	0	-	-	0	2	-
Netherlands Antilles	1	1	1	2	1	3	0	4	4	5
Niger	-	-	-	-	0	-	-	-	-	-
Pakistan	-	-	50	16	13	9	19	25	26	54
Paraguay	12	14	14	15	16	14	15	14	16	20
Senegal	0	0	0	0	-	0	-	-	-	-
Swaziland	-	-	-	-	-	-	-	0	18	1
Tunisia	-	-	26	34	-	-	-	-	-	-
Venezuela (Bolivarian Republic of)	-	20	46	53	49	52	35	31	38	40
ECONOMIES IN TRANSITION	**33**	**46**	**59**	**73**	**197**	**512**	**664**	**1,159**	**1,268**	**1,643**
Albania	-	-	-	-	-	-	-	0	-	0
Belarus	-	-	-	-	63	64	64	-	16	18
Croatia	25	39	58	72	80	79	112	128	171	202
Kazakhstan	-	-	-	-	17	15	19	12	16	34
Kyrgyzstan	8	7	1	1	1	5	13	14	27	45
Macedonia, TFYR	-	-	-	-	-	-	3	13	20	17
Russian Federation	-	-	-	-	-	321	415	904	906	1,148
Tajikistan	-	-	-	-	-	-	1	0	1	1
Ukraine	-	-	-	-	35	28	37	88	111	177

SOURCE: UNCTAD calculations based on IMF balance of payments statistics on CD-ROM.

TABLE 2.3.B

CATEGORIES OF SERVICES THAT INCLUDE CREATIVE INDUSTRIES: IMPORTS OF ARCHITECTURAL, ENGINEERING AND OTHER TECHNICAL SERVICES, BY ECONOMIC GROUP AND COUNTRY/TERRITORY, 1996-2005

IMPORTS (in millions of $)

Economic group and country/territory	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
TOTAL - REPORTING COUNTRIES	**9,487**	**10,600**	**13,607**	**18,758**	**19,055**	**21,552**	**21,137**	**17,258**	**20,531**	**23,344**
DEVELOPED ECONOMIES	**7,951**	**8,955**	**11,699**	**15,110**	**15,155**	**16,471**	**18,013**	**13,767**	**15,784**	**17,939**
Australia	209	301	210	327	274	198	212	235	265	307
Belgium	-	-	-	-	-	-	747	753	1,015	1,208
Canada	876	848	1,032	922	1,040	1,076	1,371	1,774	1,849	2,093
Cyprus	-	-	-	-	-	-	6	5	19	20
Czech Republic	-	161	220	217	132	120	189	216	236	346
Estonia	-	-	-	-	-	-	-	6	8	11
Finland	-	-	-	-	81	79	65	87	114	168
Germany	2,803	2,970	3,405	3,917	3,845	5,001	5,064	5,833	6,536	7,399
Hungary	-	-	-	-	-	-	-	-	111	143
Ireland	-	-	-	-	-	66	94	119	-	-
Italy	24	18	8	2,414	1,976	1,644	1,419	1,687	1,829	2,314
Latvia	-	-	-	-	10	8	7	13	18	20
Lithuania	-	3	8	6	7	5	10	13	24	21
Malta	-	-	-	-	-	-	-	-	7	7
Netherlands	2,866	2,999	3,290	3,591	3,896	4,314	4,590	-	-	-
New Zealand	-	-	35	-	-	39	-	75	91	132
Norway	58	113	506	488	387	239	188	201	272	512
Poland	228	219	239	265	327	287	464	476	564	665
Portugal	220	235	320	246	202	150	172	188	249	284
Romania	22	22	32	15	69	90	139	186	161	158
Slovakia	37	40	155	85	113	-	101	173	-	-
Slovenia	39	26	28	28	24	27	42	53	51	104
Spain	568	656	553	653	692	677	681	1,066	1,623	1,441
Sweden	-	346	1,656	1,934	2,080	2,449	2,451	608	742	585
DEVELOPING ECONOMIES	**1,500**	**1,613**	**1,840**	**3,573**	**3,573**	**3,891**	**1,439**	**1,591**	**1,846**	**2,233**
Argentina	7	13	22	34	46	42	31	33	39	44
Bangladesh	-	-	-	-	-	43	25	34	38	65
Botswana	-	52	91	46	23	25	24	35	33	14
Brazil	370	764	1,013	899	998	1,029	902	1,036	1,182	1,597
Burundi	-	-	-	-	-	-	-	-	9	15
Cape Verde	-	-	-	0	1	0	0	1	2	1
Colombia	277	234	238	192	185	213	200	202	303	320
Costa Rica	-	-	-	-	1	1	0	-	1	0
Ethiopia	18	23	13	9	23	25	15	26	26	24
Guinea	-	-	-	-	0	0	0	-	-	-
Kenya	-	15	-	-	-	-	-	-	-	-
Madagascar	-	-	-	-	-	-	-	28	7	5
Malaysia	-	-	-	2,049	2,114	2,312	-	-	-	-
Mali	-	-	-	0	-	-	-	-	0	-
Mozambique	-	-	-	-	-	16	64	39	-	2
Namibia	-	-	-	69	38	34	24	20	62	-
Netherlands Antilles	1	1	1	0	0	0	0	1	1	1
Pakistan	-	-	42	42	62	85	70	54	13	17
Paraguay	-	-	1	2	0	2	0	2	2	-
Sierra Leone	-	-	-	-	-	-	-	1	2	-
Swaziland	-	-	-	-	1	1	1	2	36	22
Tunisia	-	-	86	100	-	-	-	-	-	-
Venezuela (Bolivarian Republic of)	829	511	333	132	80	63	82	76	92	107
ECONOMIES IN TRANSITION	**35**	**32**	**68**	**75**	**327**	**1,191**	**1,685**	**1,900**	**2,901**	**3,173**
Albania	-	-	-	-	-	-	-	0	-	0
Belarus	-	-	-	-	27	11	11	25	27	43
Croatia	15	26	61	69	65	67	112	143	210	208
Georgia	-	-	-	-	-	-	0	1	1	1
Kazakhstan	-	-	-	-	172	289	450	688	1,335	1,599
Kyrgyzstan	20	6	8	6	18	9	24	28	25	41
Macedonia, TFYR	-	-	-	-	-	-	4	19	26	39
Russian Federation	-	-	-	-	-	648	838	872	1,168	1,095
Tajikistan	-	-	-	-	-	-	1	0	1	2
Ukraine	-	-	-	-	45	166	245	124	108	144

SOURCE: UNCTAD calculations based on IMF balance of payments statistics on CD-ROM.

CATEGORIES OF SERVICES THAT INCLUDE CREATIVE INDUSTRIES: EXPORTS OF AUDIOVISUAL AND RELATED SERVICES, BY ECONOMIC GROUP AND COUNTRY/TERRITORY, 1996-2005

TABLE 2.4.A

EXPORTS (in millions of $)

Economic group and country/territory	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
TOTAL - REPORTING ECONOMIES	**6,327**	**7,560**	**9,176**	**10,549**	**13,214**	**13,012**	**13,637**	**16,138**	**18,720**	**17,518**
DEVELOPED ECONOMIES	**6,280**	**7,492**	**9,097**	**10,252**	**12,744**	**12,472**	**12,939**	**15,496**	**17,941**	**16,499**
Australia	95	107	89	99	726	47	57	108	104	97
Belgium	-	-	-	-	-	-	240	297	385	444
Canada	784	950	997	1,265	1,324	1,221	1,138	1,169	1,229	1,461
Cyprus	1	1	0	-	-	1	1	1	3	6
Czech Republic	-	39	59	31	25	23	26	20	35	50
Estonia	-	-	-	-	-	-	-	1	1	1
Finland	-	-	-	4	-	4	6	26	5	7
France	900	936	951	923	1,121	975	1,022	1,287	1,639	1,424
Germany	144	146	245	206	395	523	534	1,007	961	705
Greece	-	-	-	10	48	42	80	262	879	93
Hungary	23	33	35	39	155	540	463	803	1,143	1,265
Ireland	-	-	-	-	163	286	320	400	-	-
Italy	216	213	209	199	268	210	228	180	336	328
Japan	86	119	322	133	57	61	79	84	62	82
Latvia	0	0	-	-	0	0	0	3	1	2
Lithuania	-	0	-	0	9	5	6	11	5	3
Malta	-	-	-	-	-	-	-	-	0	14
Netherlands	247	196	178	180	194	151	179	-	-	-
Norway	30	32	45	48	43	74	58	70	97	192
Poland	15	25	58	36	21	22	19	29	32	36
Portugal	11	13	20	16	20	19	21	23	43	28
Romania	10	8	5	6	9	6	19	23	48	64
Slovakia	-	-	18	5	7	-	3	8	-	-
Slovenia	4	4	4	5	5	5	4	6	11	11
Spain	114	118	151	157	205	246	257	308	424	478
Sweden	-	17	79	97	90	85	81	145	130	149
United Kingdom	771	1,004	1,072	1,164	1,479	1,308	1,565	2,089	2,857	2,499
United States	2,830	3,530	4,560	5,628	6,379	6,618	6,534	7,137	7,511	7,060
DEVELOPING ECONOMIES	**42**	**60**	**63**	**282**	**464**	**494**	**663**	**570**	**671**	**877**
Argentina	9	20	11	14	18	37	92	112	127	139
Bangladesh	-	0	0	-	-	0	0	4	0	1
Barbados	-	-	-	-	-	-	-	-	-	0
Benin	0	0	0	0	-	0	0	-	0	-
Bolivia	-	-	-	-	-	-	-	1	1	1
Brazil	3	-	-	7	17	27	28	29	15	16
Cape Verde	-	-	-	0	0	0	0	-	-	-
China	-	10	15	7	11	28	30	33	41	134
Colombia	7	6	6	4	12	24	24	20	26	24
Costa Rica	-	0	0	-	-	-	-	-	-	-
Côte d'Ivoire	-	-	0	0	0	0	-	-	-	-
Ecuador	17	14	17	12	39	24	32	34	36	39
Ethiopia	0	0	2	2	1	1	3	1	0	-
Guatemala	-	-	-	-	-	0	0	1	0	0
Jamaica	0	1	1	1	1	1	-	-	-	-
Madagascar	-	-	-	-	-	-	-	0	-	-
Mali	-	-	-	-	-	0	-	0	0	-
Mauritius	-	-	-	-	-	0	1	0	0	1
Mexico	5	5	5	209	328	318	400	293	358	373
Niger	0	0	0	0	0	0	-	0	-	-
Pakistan	-	-	-	-	-	-	-	1	-	-
Philippines	-	-	-	14	15	6	6	9	7	19
Republic of Korea	-	1	1	8	13	24	44	28	56	127
Senegal	-	-	-	-	-	-	0	0	-	-
Swaziland	-	-	-	-	-	-	-	0	-	-
Uruguay	-	-	-	-	5	-	-	0	-	-
Venezuela (Bolivarian Republic of)	-	4	5	4	4	4	4	4	4	4
ECONOMIES IN TRANSITION	**5**	**8**	**16**	**15**	**7**	**46**	**35**	**72**	**108**	**142**
Albania	-	-	-	-	-	-	-	0	-	0
Armenia	-	2	5	4	1	1	1	1	3	3
Belarus	-	-	-	-	-	-	-	-	2	1
Croatia	5	7	11	11	6	7	9	9	5	7
Georgia	-	-	-	-	-	-	0	0	0	0
Kazakhstan	-	-	-	-	0	0	0	0	0	0
Macedonia, TFYR	-	-	-	-	-	-	0	2	3	3
Moldova, Republic of	-	-	0	0	0	1	1	1	1	1
Russian Federation	-	-	-	-	-	36	24	59	93	127

SOURCE: UNCTAD calculations based on IMF balance of payments statistics on CD-ROM.

TABLE 2.4.B

CATEGORIES OF SERVICES THAT INCLUDE CREATIVE INDUSTRIES: IMPORTS OF AUDIOVISUAL AND RELATED SERVICES, BY ECONOMIC GROUP AND COUNTRY/TERRITORY, 1996-2005

IMPORTS (in millions of $)

Economic group and country/territory	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
TOTAL - REPORTING ECONOMIES	**9,054**	**9,384**	**9,800**	**11,257**	**12,448**	**13,321**	**12,266**	**13,626**	**16,152**	**16,392**
DEVELOPED ECONOMIES	**8,698**	**8,918**	**9,382**	**10,423**	**11,499**	**12,223**	**11,140**	**12,515**	**14,686**	**14,702**
Australia	387	401	385	411	389	327	399	459	562	541
Belgium	-	-	-	-	-	-	332	394	443	372
Canada	1,105	1,097	1,153	1,217	1,536	1,379	1,480	1,612	1,857	1,773
Cyprus	5	5	5	6	6	6	3	8	13	16
Czech Republic	-	123	152	25	7	18	22	24	20	16
Estonia	-	-	-	-	-	-	-	0	0	1
Finland	-	-	16	34	52	29	55	7	7	12
France	1,362	1,345	1,398	1,321	1,554	1,630	1,622	1,766	1,804	1,840
Germany	2,556	2,575	2,479	3,552	3,558	4,033	2,273	2,955	3,185	2,809
Greece	-	-	-	38	37	45	63	74	225	60
Hungary	13	13	20	20	128	539	461	813	1,010	1,144
Ireland	-	-	-	-	26	21	74	87	-	-
Italy	720	689	874	690	629	607	585	695	1,083	1,268
Japan	585	581	770	739	866	1,058	832	748	861	903
Latvia	-	0	-	-	2	2	3	5	10	9
Lithuania	-	0	0	0	0	1	0	0	0	1
Malta	2	4	4	3	3	3	5	7	3	1
Netherlands	248	210	159	166	225	190	244	-	-	-
Norway	59	68	85	113	124	140	153	208	271	335
Poland	24	38	44	68	108	92	126	100	69	99
Portugal	63	39	81	90	105	123	102	122	148	116
Romania	2	6	15	13	11	14	16	25	40	88
Slovakia	-	-	7	8	7	-	6	7	-	-
Slovenia	9	13	15	15	18	17	17	25	25	23
Spain	650	773	796	847	1,020	960	1,098	1,231	1,272	1,142
Sweden	-	13	63	61	67	65	47	88	128	129
United Kingdom	728	773	738	867	890	803	984	851	1,238	1,090
United States	180	150	122	119	132	121	137	206	409	915
DEVELOPING ECONOMIES	**347**	**460**	**408**	**824**	**940**	**971**	**954**	**919**	**1,176**	**1,256**
Argentina	91	149	155	113	171	228	93	108	140	153
Bahamas	2	2	2	2	2	2	2	2	2	2
Bangladesh	0	-	-	-	-	-	1	0	0	0
Barbados	-	-	-	-	-	-	-	-	-	0
Benin	0	0	0	0	0	0	0	0	0	-
Bolivia	-	5	6	2	2	2	2	4	5	5
Brazil	75	76	68	264	260	256	215	250	300	314
Cape Verde	-	-	0	0	0	0	1	0	0	1
China	-	44	39	34	37	50	96	70	176	154
Colombia	9	5	15	21	26	27	27	29	31	41
Costa Rica	1	-	-	-	-	-	-	-	-	-
Côte d'Ivoire	1	1	1	1	1	1	1	1	1	-
Ecuador	34	29	28	34	52	71	86	92	98	106
Egypt	-	-	-	-	-	-	-	-	-	-
Ethiopia	0	0	0	0	0	1	0	0	0	0
Guatemala	-	-	-	-	-	0	0	0	0	0
Guinea	-	-	-	-	-	-	0	0	1	-
Honduras	3	3	7	7	8	8	9	6	5	6
Jamaica	2	0	0	3	3	3	2	-	2	1
Madagascar	-	-	-	-	-	-	-	0	-	-
Malawi	0	0	-	0	0	0	0	-	-	-
Mali	-	-	-	-	-	-	0	0	1	-
Mauritius	-	-	-	-	-	1	5	6	7	6
Mexico	5	6	6	227	245	198	260	221	225	275
Niger	0	0	-	-	-	-	0	0	-	-
Pakistan	-	-	-	-	-	-	-	-	2	8
Philippines	-	-	-	17	24	16	16	14	11	5
Republic of Korea	107	116	65	80	79	89	124	90	152	159
Senegal	0	0	-	0	-	-	0	0	0	-
Solomon Islands	-	-	-	0	-	-	-	-	-	-
Swaziland	-	-	-	-	-	-	-	0	0	0
Togo	-	-	0	-	-	-	-	-	-	-
Tunisia	10	10	-	-	-	-	-	-	-	-
Uruguay	-	-	-		13	-	-	10	-	-
Venezuela (Bolivarian Republic of)	6	14	16	18	17	18	16	15	17	19
ECONOMIES IN TRANSITION	**10**	**6**	**10**	**11**	**9**	**127**	**172**	**192**	**291**	**434**
Albania	-	-	-	-	-	-	-	0	-	1
Armenia	-	0	1	2	0	3	3	3	3	4
Belarus	-	-	-	-	-	-	-	-	4	7
Croatia	10	6	9	9	7	10	11	17	22	23
Kazakhstan	-	-	-	-	2	2	3	12	6	16
Macedonia, TFYR	-	-	-	-	-	-	0	3	4	3
Moldova, Republic of	-	-	0	0	0	0	0	1	0	1
Russian Federation	-	-	-	-	-	112	155	155	251	379

SOURCE: UNCTAD calculations based on IMF balance of payments statistics on CD-ROM.

CATEGORIES OF SERVICES THAT INCLUDE CREATIVE INDUSTRIES: EXPORTS OF RESEARCH AND DEVELOPMENT SERVICES, BY ECONOMIC GROUP AND COUNTRY/TERRITORY, 1996-2005

TABLE 2.5.A

EXPORTS (in millions of $)

Economic group and country/territory	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
TOTAL - REPORTING ECONOMIES	**13,336**	**7,968**	**8,924**	**8,544**	**9,640**	**9,587**	**12,570**	**15,926**	**15,581**	**17,990**
DEVELOPED ECONOMIES	**13,332**	**7,614**	**8,396**	**8,251**	**9,191**	**8,384**	**10,818**	**13,528**	**14,974**	**17,097**
Australia	103	133	105	144	137	131	149	205	258	282
Belgium	-	-	-	-	-	-	795	1,224	1,540	1,592
Canada	1,249	1,309	1,849	2,159	2,850	2,016	1,605	2,331	2,224	2,404
Cyprus	-	-	-	-	-	-	1	19	24	13
Czech Republic	13	13	39	36	21	46	39	11	13	12
Estonia	-	-	-	-	-	-	-	13	15	13
Finland	34	35	34	-	199	222	188	319	-	341
France	7,130	-	-	-	-	-	-	-	-	-
Germany	3,351	4,696	4,579	4,190	4,121	3,479	4,211	4,987	5,800	6,913
Greece	-	-	-	29	40	38	60	57	81	93
Hungary	-	-	-	-	-	-	-	-	228	232
Ireland	-	-	-	-	-	388	383	366	442	458
Italy	815	665	572	662	569	842	978	952	1,091	995
Latvia	-	-	-	-	4	4	6	7	8	12
Lithuania	-	-	-	-	-	-	-	2	3	2
Malta	-	-	-	-	-	-	-	-	3	3
Norway	150	142	140	140	158	133	154	150	200	319
Poland	14	15	17	24	20	28	38	38	97	168
Portugal	17	15	26	18	14	15	29	28	29	36
Romania	1	1	2	9	7	20	15	10	14	34
Slovakia	4	4	7	6	8	-	6	10	-	-
Slovenia	11	12	12	10	11	12	17	19	27	29
Spain	438	457	680	469	410	455	512	590	767	870
Sweden	-	118	334	355	622	555	1,631	2,191	2,109	2,278
DEVELOPING ECONOMIES	**3**	**349**	**525**	**289**	**374**	**915**	**1,349**	**1,953**	**81**	**120**
Argentina	3	3	4	5	13	20	34	50	62	68
Bangladesh	-	-	-	-	-	2	4	5	6	6
Benin	-	-	-	-	-	0	-	0	-	-
Botswana	-	0	1	1	1	1	1	3	4	3
Brazil	-	-	-	-	-	-	-	-	-	38
Burkina Faso	-	-	-	-	0	-	-	-	-	-
China	-	346	518	280	356	889	1,285	1,885	-	-
Costa Rica	-	0	-	-	-	-	-	-	-	0
Ethiopia	-	-	2	3	4	2	2	4	3	0
Madagascar	-	-	-	-	-	-	-	0	-	-
Mali	-	-	-	-	-	-	-	0	1	-
Mozambique	-	-	-	-	-	-	23	6	-	2
Niger	-	-	-	-	-	-	0	-	-	-
Pakistan	-	-	-	-	-	-	-	-	2	2
Senegal	0	0	-	0	-	0	-	-	-	-
Swaziland	-	-	-	-	-	-	-	1	3	1
ECONOMIES IN TRANSITION	**1**	**4**	**3**	**5**	**76**	**288**	**403**	**445**	**526**	**773**
Belarus	-	-	-	-	5	8	8	8	8	10
Bulgaria	-	-	-	-	10	18	21	23	19	47
Croatia	1	4	3	5	8	8	10	14	19	20
Kazakhstan	-	-	-	-	5	7	7	4	8	7
Kyrgyzstan	-	-	-	-	-	0	0	0	0	1
Macedonia, TFYR	-	-	-	-	-	-	2	6	6	6
Russian Federation	-	-	-	-	-	207	308	298	339	481
Ukraine	-	-	-	-	47	39	47	92	128	202

SOURCE: UNCTAD calculations based on IMF balance of payments statistics on CD-ROM.

TABLE 2.5.B

CATEGORIES OF SERVICES THAT INCLUDE CREATIVE INDUSTRIES: IMPORTS OF RESEARCH AND DEVELOPMENT SERVICES, BY ECONOMIC GROUP AND COUNTRY/TERRITORY, 1996-2005

IMPORTS (in millions of $)

Economic group and country/territory	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
TOTAL - REPORTING ECONOMIES	**10,277**	**6,101**	**7,650**	**7,527**	**8,234**	**12,839**	**15,681**	**18,366**	**18,487**	**19,745**
DEVELOPED ECONOMIES	**10,254**	**5,584**	**6,818**	**6,924**	**7,453**	**10,274**	**12,336**	**14,684**	**18,210**	**19,386**
Australia	118	110	79	78	47	56	64	107	124	133
Belgium	-	-	-	-	-	-	642	804	1,297	1,313
Bulgaria	-	-	-	-	40	112	81	139	122	177
Canada	563	694	859	1,051	1,151	932	630	821	977	912
Cyprus	-	-	-	-	-	-	11	15	21	18
Czech Republic	20	10	17	37	130	186	125	22	37	20
Estonia	-	-	-	-	-	-	-	8	6	2
Finland	144	174	169	-	114	122	222	464	352	503
France	4,976	-	-	-	-	-	-	-	-	-
Germany	3,561	3,533	4,067	4,127	4,059	4,899	5,368	4,902	5,324	5,786
Greece	-	-	-	28	40	53	60	63	73	94
Hungary	-	-	-	-	-	-	-	-	631	733
Ireland	-	-	-	-	-	1,886	2,720	2,602	3,992	4,445
Italy	437	469	661	451	459	417	449	549	673	628
Latvia	-	-	-	-	4	2	4	2	3	3
Lithuania	-	-	-	-	-	-	-	1	2	1
Malta	-	-	-	-	-	-	-	-	4	3
New Zealand	-	-	9	-	-	18	-	24	26	39
Norway	142	119	106	114	122	104	93	103	129	272
Poland	13	16	24	39	29	67	63	81	81	80
Portugal	25	17	21	21	14	9	9	25	16	27
Romania	3	5	2	16	6	3	11	4	2	20
Slovakia	8	8	6	5	5	-	4	8	-	-
Slovenia	16	20	22	21	25	20	22	27	40	48
Spain	229	226	237	423	373	265	366	494	585	503
Sweden	-	182	539	513	834	1,123	1,394	3,420	3,694	3,627
DEVELOPING ECONOMIES	**15**	**496**	**784**	**555**	**670**	**1,524**	**2,650**	**3,481**	**63**	**58**
Argentina	14	14	12	17	23	15	13	15	41	28
Bangladesh	-	-	-	-	-	1	1	0	0	0
Benin	-	-	-	-	-	-	-	0	0	-
Botswana	-	0	0	0	0	0	0	0	9	3
Brazil	-	-	-	-	-	-	-	-	-	7
China	-	468	758	524	640	1,502	2,631	3,450	-	-
Costa Rica	-	-	-	-	-	-	-	-	-	0
Dominican Republic	-	-	-	-	-	-	-	2	2	3
Ethiopia	-	-	-	1	0	0	0	0	-	0
Jamaica	-	-	-	-	-	-	-	-	0	0
Madagascar	-	-	-	-	-	-	-	0	-	0
Malawi	0	0	1	1	1	1	0	-	-	-
Mozambique	-	-	-	-	-	1	0	7	-	3
Pakistan	-	-	-	-	-	-	-	-	2	11
Swaziland	-	-	-	-	-	-	-	1	1	2
Venezuela (Bolivarian Republic of)	-	13	13	12	6	4	5	5	7	-
ECONOMIES IN TRANSITION	**9**	**21**	**48**	**48**	**111**	**1,041**	**694**	**201**	**213**	**302**
Belarus	-	-	-	-	3	4	3	3	3	5
Croatia	9	21	48	48	45	33	40	32	45	92
Kazakhstan	-	-	-	-	3	5	0	3	3	9
Kyrgyzstan	-	-	-	-	-	0	0	0	0	1
Macedonia, TFYR	-	-	-	-	-	-	4	15	13	8
Russian Federation	-	-	-	-	-	476	155	101	102	112
Ukraine	-	-	-	-	60	523	492	47	47	74

SOURCE: UNCTAD calculations based on IMF balance of payments statistics on CD-ROM.

CATEGORIES OF SERVICES THAT INCLUDE CREATIVE INDUSTRIES: EXPORTS OF PERSONAL, CULTURAL AND RECREATIONAL SERVICES, BY ECONOMIC GROUP AND COUNTRY/TERRITORY, 1996-2005

TABLE 2.6.A

EXPORTS (in millions of $)

Economic group and country/territory	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
TOTAL - REPORTING ECONOMIES	**10,064**	**12,776**	**16,420**	**17,304**	**20,044**	**18,634**	**21,845**	**24,660**	**28,511**	**27,517**
DEVELOPED ECONOMIES	**8,905**	**10,244**	**12,388**	**14,006**	**16,581**	**16,494**	**17,563**	**20,650**	**23,503**	**22,838**
Australia	207	245	248	266	897	248	343	376	333	337
Austria	202	211	212	224	193	212	204	266	327	355
Belgium	-	-	-	-	-	-	289	368	454	520
Bulgaria	-	-	-	-	22	28	31	37	42	39
Canada	901	1,066	1,107	1,385	1,451	1,350	1,271	1,325	1,406	1,658
Cyprus	5	5	5	6	6	10	15	10	25	41
Czech Republic	97	118	284	244	189	161	165	111	141	156
Estonia	0	0	1	1	1	2	1	2	3	5
Faeroe Islands	-	-	0	0	1	0	1	1	-	-
Finland	-	-	-	4	4	11	12	29	16	13
France	1,419	1,411	1,428	1,344	1,591	1,429	1,520	1,868	2,298	2,158
Germany	144	146	245	206	395	523	534	1,007	961	705
Greece	-	-	-	202	246	189	194	332	966	166
Hungary	46	61	89	91	207	600	527	845	1,167	1,302
Iceland	3	5	6	10	7	8	5	4	9	16
Ireland	-	-	-	166	163	286	320	400	-	413
Italy	395	444	433	482	544	543	720	720	747	758
Japan	178	234	429	239	116	118	315	140	72	97
Latvia	0	0	1	0	1	1	1	4	3	5
Lithuania	-	1	3	1	11	10	20	18	9	10
Luxembourg	177	190	338	340	376	330	164	165	190	237
Malta	-	-	-	-	-	-	-	-	35	44
Netherlands	501	456	468	536	552	534	538	618	771	902
New Zealand	21	34	48	100	135	117	111	143	226	175
Norway	104	111	104	113	139	172	175	210	185	351
Poland	36	48	92	60	50	67	61	58	91	94
Portugal	93	103	140	109	136	140	115	135	193	206
Romania	54	60	65	65	76	67	98	118	214	92
Slovakia	19	38	61	44	54	-	67	69	-	-
Slovenia	9	11	12	16	14	16	15	21	30	28
Spain	249	346	439	444	535	630	671	814	966	1,089
Sweden	-	22	102	119	113	111	112	208	179	216
Switzerland	10	5	10	7	7	5	4	4	4	5
United Kingdom	1,204	1,342	1,458	1,555	1,973	1,954	2,410	3,086	3,928	3,583
United States	2,830	3,530	4,560	5,628	6,379	6,618	6,534	7,137	7,511	7,060
DEVELOPING ECONOMIES	**1,135**	**2,504**	**3,959**	**3,178**	**3,422**	**2,017**	**4,177**	**3,826**	**4,766**	**4,401**
Angola	-	-	-	-	-	-	1	1	3	5
Argentina	10	20	11	16	18	38	92	116	136	149
Bangladesh	0	0	1	0	1	0	0	4	1	1
Barbados	0	0	0	0	0	0	1	1	-	0
Benin	0	0	0	0	-	0	0	-	0	-
Bolivia	-	-	-	1	1	1	1	1	1	1
Brazil	61	129	116	41	63	58	58	54	47	56
Cambodia	-	-	0	1	1	1	1	1	1	1
Cameroon	-	-	0	0	1	1	2	11	-	-
Cape Verde	-	-	-	0	0	0	0	0	0	0
Chile	28	28	28	23	22	29	39	68	73	86
China	-	10	15	7	11	28	30	33	41	134
China, SAR of Hong Kong	-	-	113	85	51	99	112	137	290	-
Colombia	8	6	6	16	23	25	27	31	39	41
Congo	2	2	5	7	12	17	21	9	11	-
Costa Rica	-	0	0	-	-	-	-	-	-	-
Côte d'Ivoire	-	-	0	0	0	0	-	0	0	-
Ecuador	17	14	17	12	39	24	32	34	36	39
Egypt	7	11	12	19	15	19	54	72	69	83
El Salvador	-	-	-	-	1	0	0	-	0	-
Eritrea	-	-	-	0	-	-	-	-	-	-
Ethiopia	0	0	2	2	1	1	3	1	0	-
Guatemala	-	-	-	-	-	0	0	1	0	0
Guinea	-	0	-	-	-	-	0	-	-	-
Indonesia	-	-	-	-	-	-	-	-	47	57
Jamaica	8	9	10	10	10	9	9	20	28	30
Kenya	-	-	-	-	0	0	0	0	0	0
Lebanon	-	-	-	-	-	-	0	-	-	0
Madagascar	-	-	-	-	0	0	0	0	-	-
Malaysia	-	-	-	32	33	29	1,566	1,835	1,657	1,562
Mali	-	-	-	-	0	0	-	0	0	-
Mauritius	-	-	-	-	2	3	5	5	4	2
Mexico	5	5	5	209	328	318	400	293	358	373
Mongolia	-	-	-	-	-	-	-	0	1	-
Mozambique	-	-	-	-	-	-	-	0	0	0
Myanmar	-	-	-	-	-	-	0	0	-	-
Netherlands Antilles	2	2	2	2	2	1	1	1	1	0
Niger	0	0	0	0	0	0	-	0	-	-
Occupied Palestinian Territory	-	-	1	5	9	2	1	3	1	-
Pakistan	26	22	-	-	-	-	-	1	0	2

TABLE 2.6.A

CATEGORIES OF SERVICES THAT INCLUDE CREATIVE INDUSTRIES: EXPORTS OF PERSONAL, CULTURAL AND RECREATIONAL SERVICES, BY ECONOMIC GROUP AND COUNTRY/TERRITORY, 1996-2005

CONTINUED

EXPORTS (in millions of $)

Economic group and country/territory	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Papua New Guinea	-	-	-	-	-	-	-	-	0	0
Philippines	-	-	-	19	18	15	7	9	7	20
Republic of Korea	-	5	14	29	137	138	185	76	128	261
Samoa	-	-	-	-	-	-	-	-	0	1
Senegal	0	0	0	-	-	-	0	0	-	-
Singapore	9	9	9	18	19	34	127	154	189	197
Solomon Islands	-	-	1	0	-	-	-	-	-	-
South Africa	-	-	-	-	-	37	38	60	88	114
Sudan	-	-	-	-	1	-	-	0	-	-
Swaziland	-	-	-	-	-	-	-	0	0	0
Syrian Arab Republic	-	-	-	-	-	-	-	-	75	95
Togo	0	0	1	-	-	-	-	-	-	-
Tonga	-	-	-	-	-	0	0	-	-	-
Tunisia	3	2	2	3	3	4	3	5	10	4
Turkey	949	2,225	3,579	2,615	2,591	1,074	1,355	781	1,418	1,079
United Republic of Tanzania	-	-	3	1	0	0	1	1	0	1
Uruguay	-	-	0	0	5	4	0	0	1	1
Venezuela (Bolivarian Republic of)	-	5	6	6	6	6	5	5	5	5
ECONOMIES IN TRANSITION	**24**	**28**	**73**	**120**	**40**	**123**	**105**	**184**	**241**	**278**
Albania	-	-	-	-	-	-	2	5	8	18
Armenia	2	3	7	5	1	2	2	2	5	5
Azerbaijan	-	-	-	-	-	-	-	2	3	3
Belarus	-	-	-	-	2	1	2	2	3	2
Croatia	11	15	32	37	30	27	28	33	30	29
Georgia	-	-	-	-	-	-	0	0	2	3
Kazakhstan	7	9	27	73	0	0	0	0	0	0
Kyrgyzstan	2	1	6	4	3	3	2	6	9	7
Macedonia, TFYR	3	1	2	2	1	2	2	4	7	7
Moldova, Republic of	-	-	0	0	0	1	1	1	1	1
Russian Federation	-	-	-	-	-	85	63	125	164	187
Tajikistan	-	-	-	-	-	-	-	-	-	-
Ukraine	-	-	-	-	3	3	3	4	11	16

SOURCE: UNCTAD calculations based on IMF balance of payments statistics on CD-ROM.

CATEGORIES OF SERVICES THAT INCLUDE CREATIVE INDUSTRIES: IMPORTS OF PERSONAL, CULTURAL AND RECREATIONAL SERVICES, BY ECONOMIC GROUP AND COUNTRY/TERRITORY, 1996-2005

TABLE 2.6.B

IMPORTS (in millions of $)

Economic group and country/territory	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
TOTAL - REPORTING COUNTRIES	**14,824**	**16,159**	**17,313**	**18,706**	**18,656**	**18,274**	**19,886**	**22,388**	**25,310**	**25,629**
DEVELOPED ECONOMIES	**12,172**	**12,575**	**13,101**	**14,216**	**15,548**	**15,991**	**14,883**	**17,365**	**20,411**	**20,462**
Australia	445	461	464	482	471	396	484	563	698	687
Austria	228	248	229	208	174	191	213	292	395	366
Belgium	-	-	-	-	-	-	380	443	494	444
Bulgaria	-	-	-	-	4	9	10	17	15	16
Canada	1,211	1,202	1,256	1,324	1,647	1,492	1,598	1,750	2,010	1,947
Cyprus	10	10	11	12	13	10	13	22	49	56
Czech Republic	108	211	286	153	127	136	175	155	166	171
Estonia	1	3	2	1	2	3	1	2	2	5
Faeroe Islands	-	-	0	1	1	1	1	1	-	-
Finland	-	-	16	43	59	36	61	25	29	23
France	1,837	1,818	1,800	1,711	1,976	2,058	2,079	2,332	2,624	2,821
Germany	2,556	2,575	2,479	3,552	3,558	4,033	2,273	2,955	3,185	2,809
Greece	-	-	-	154	160	196	182	184	357	185
Hungary	31	38	48	43	151	563	491	845	1,048	1,190
Iceland	11	10	11	13	15	13	12	11	12	13
Ireland	-	-	-	32	26	21	74	87	-	105
Italy	1,012	1,089	1,265	1,114	1,157	1,090	933	1,034	1,507	1,638
Japan	1,209	1,086	1,261	1,137	1,275	1,391	1,190	946	1,081	1,115
Latvia	-	0	0	0	4	5	5	7	15	13
Lithuania	-	7	6	6	4	6	4	1	1	2
Luxembourg	414	370	465	509	481	435	311	420	476	329
Malta	2	5	5	4	4	4	6	8	6	6
Netherlands	520	534	496	498	597	580	616	746	880	946
New Zealand	10	13	19	25	36	37	65	68	57	44
Norway	108	149	148	168	179	200	218	304	383	521
Poland	41	57	66	101	139	120	155	128	131	157
Portugal	158	150	246	225	239	255	227	264	360	340
Romania	39	62	73	108	74	83	82	101	143	108
Slovakia	32	40	60	51	53	-	22	98	-	-
Slovenia	23	29	33	36	36	37	38	50	59	61
Spain	1,041	1,269	1,272	1,250	1,425	1,277	1,491	1,699	1,905	1,746
Sweden	-	16	81	82	88	87	70	116	161	157
Switzerland	78	80	71	69	61	65	67	90	96	87
United Kingdom	867	894	810	983	1,181	1,041	1,198	1,396	1,655	1,441
United States	180	150	122	119	132	121	137	206	409	915
DEVELOPING ECONOMIES	**2,466**	**3,499**	**4,133**	**4,419**	**3,056**	**2,040**	**4,757**	**4,730**	**4,423**	**4,390**
Angola	-	-	-	-	-	-	15	11	28	45
Argentina	91	149	155	114	171	228	95	108	140	153
Bahamas	2	2	2	2	2	2	2	2	2	2
Bangladesh	1	1	-	-	0	0	1	0	0	0
Barbados	0	0	0	0	0	0	-	0	1	0
Belize	-	-	-	-	-	0	0	0	0	0
Benin	0	0	0	0	0	0	0	0	0	-
Bolivia	-	5	6	2	2	2	2	4	5	6
Brazil	281	296	334	375	363	365	309	337	409	451
Burkina Faso	-	-	-	-	0	-	-	-	-	-
Cambodia	-	-	1	2	2	3	3	3	4	4
Cameroon	-	-	1	1	1	1	1	10	-	-
Cape Verde	-	-	0	1	0	0	1	0	0	1
Chile	25	30	45	42	44	36	44	47	52	56
China	-	44	39	34	37	50	96	70	176	154
China, SAR of Hong Kong	-	-	51	47	65	70	68	68	52	-
Colombia	9	5	17	22	27	27	28	29	31	44
Congo	6	5	2	3	5	5	5	3	4	-
Costa Rica	1	0	-	0	0	0	0	0	0	0
Côte d'Ivoire	1	1	1	1	1	1	1	1	1	-
Ecuador	34	29	28	34	52	71	86	92	98	106
Egypt	7	21	22	20	21	22	14	15	15	22
El Salvador	-	-	-	-	1	1	2	1	2	2
Eritrea	-	-	0	0	0	-	-	-	-	-
Ethiopia	0	0	0	0	0	1	0	0	0	0
Guatemala	-	-	0	-	-	0	5	0	0	0
Guinea	0	-	1	-	0	0	0	0	1	-
Haiti	-	-	-	-	-	-	-	-	-	17
Honduras	3	4	7	7	8	8	9	6	5	6
Indonesia	-	-	-	-	-	-	-	-	184	166
Jamaica	3	3	4	4	4	4	4	2	3	2
Kenya	-	-	-	0	2	1	4	2	1	1
Lebanon	-	-	-	-	-	-	0	-	-	0
Libyan Arab Jamahiriya	-	-	-	-	-	-	1	9	9	10
Madagascar	0	0	0	0	0	0	0	0	-	-
Malawi	3	3	3	5	6	5	9	-	-	-
Malaysia	-	-	-	68	70	106	2,790	2,922	1,899	1,855
Mali	-	0	-	-	-	0	0	0	13	-
Mauritius	-	-	-	-	4	5	10	14	21	31

SOURCE: UNCTAD calculations based on IMF balance of payments statistics on CD-ROM.

TABLE

2.6.B

CONTINUED

IMPORTS (in millions of $)

Economic group and country/territory	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Mexico	5	6	6	227	245	198	260	221	225	275
Mongolia	-	-	-	-	-	-	-	0	-	-
Mozambique	-	-	-	-	-	-	0	0	0	1
Myanmar	-	-	-	0	0	0	0	6	3	-
Netherlands Antilles	1	2	2	3	1	1	1	2	1	1
Niger	0	0	-	-	-	0	0	0	-	-
Pakistan	11	12	-	-	-	-	-	-	2	8
Palestinian	-	-	14	13	13	22	38	36	16	-
Papua New Guinea	-	-	-	-	-	-	-	-	0	0
Philippines	-	-	-	27	32	37	17	15	15	9
Republic of Korea	121	137	92	153	160	206	283	261	376	473
Senegal	0	0	0	0	-	0	0	0	0	-
Singapore	35	41	34	51	82	171	265	241	267	278
Solomon Islands	-	-	-	0	-	-	-	-	-	-
South Africa	-	-	-	-	-	3	3	3	5	8
Sudan	-	0	-	2	-	-	-	0	-	-
Swaziland	-	-	-	-	-	-	-	0	0	0
Syrian Arab Republic	-	-	-	-	-	-	-	-	1	1
Togo	-	0	0	-	-	-	-	-	-	-
Tonga	-	-	-	-	-	0	0	-	-	-
Tunisia	10	10	14	9	9	10	5	4	6	6
Turkey	1,798	2,634	3,158	3,043	1,541	288	205	117	176	88
United Republic of Tanzania	-	-	0	0	0	0	-	1	0	0
Uruguay	-	-	26	27	13	16	18	10	7	7
Venezuela (Bolivarian Republic of)	16	60	68	80	72	71	58	52	165	101
ECONOMIES IN TRANSITION	**185**	**85**	**79**	**71**	**52**	**243**	**246**	**293**	**476**	**776**
Albania	-	-	-	-	-	-	7	8	30	104
Armenia	0	3	4	3	1	5	5	5	6	7
Azerbaijan	-	-	-	-	-	-	-	5	5	5
Belarus	-	-	-	-	3	4	4	5	7	11
Croatia	50	41	42	40	30	32	32	41	53	56
Georgia	-	-	-	-	-	-	-	-	-	-
Kazakhstan	133	38	30	24	2	2	3	12	7	16
Kyrgyzstan	0	0	2	3	3	2	0	3	6	21
Macedonia, TFYR	1	2	2	1	2	3	3	6	5	6
Moldova, Republic of	-	-	0	0	0	0	0	1	0	1
Russian Federation	-	-	-	-	-	166	173	188	309	440
Tajikistan	-	-	-	-	-	-	-	-	-	-
Ukraine	-	-	-	-	11	30	20	18	48	109

SOURCE: UNCTAD calculations based on IMF balance of payments statistics on CD-ROM.

CATEGORIES OF SERVICES THAT INCLUDE CREATIVE INDUSTRIES: EXPORTS OF OTHER PERSONAL, CULTURAL AND RECREATIONAL SERVICES, BY ECONOMIC GROUP AND COUNTRY/TERRITORY, 1996-2005

TABLE 2.7.A

EXPORTS (in millions of $)

Economic group and country/territory	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
TOTAL - REPORTING COUNTRIES	**1,022**	**2,307**	**3,691**	**2,779**	**2,802**	**1,314**	**2,065**	**3,315**	**3,854**	**3,544**
DEVELOPED ECONOMIES	**73**	**82**	**106**	**149**	**197**	**203**	**660**	**611**	**591**	**700**
Bulgaria	-	-	-	-	-	28	31	37	42	39
Cyprus	-	-	-	-	-	-	-	7	12	19
Czech Republic	-	-	-	-	-	-	111	47	50	49
Estonia	-	-	-	-	-	-	-	1	2	4
Hungary	-	-	-	-	-	-	-	-	7	15
Italy	-	-	-	-	-	-	276	320	272	275
Latvia	-	-	-	-	-	-	-	-	1	2
Lithuania	-	-	-	-	-	-	-	7	1	0
Malta	-	-	-	-	-	-	-	-	34	29
Norway	-	-	-	65	96	97	117	140	88	159
Portugal	73	82	106	84	102	106	78	89	122	148
Romania	-	-	-	-	-	-	79	-	-	-
DEVELOPING ECONOMIES	**950**	**2,225**	**3,580**	**2,627**	**2,603**	**1,079**	**1,371**	**2,663**	**3,214**	**2,788**
Bangladesh	-	-	-	-	-	-	-	-	-	0
Barbados	-	-	-	-	-	-	-	-	-	0
Colombia	1	0	1	12	12	1	3	11	13	17
Congo	-	-	-	-	-	-	-	9	11	-
Guatemala	-	-	-	-	-	-	0	0	0	0
Jamaica	-	-	-	-	-	-	9	20	28	28
Lebanon	-	-	-	-	-	-	-	-	-	0
Malaysia	-	-	-	-	-	-	-	1,835	1,657	1,562
Mali	-	-	-	-	-	-	-	-	0	0
Mozambique	-	-	-	-	-	-	-	0	0	0
Pakistan	-	-	-	-	-	-	-	-	0	-
Papua New Guinea	-	-	-	-	-	-	-	-	0	0
Syrian Arab Republic	-	-	-	-	-	-	-	-	75	95
Tunisia	-	-	-	-	-	4	3	5	10	4
Turkey	949	2,225	3,579	2,615	2,591	1,074	1,355	781	1,418	1,079
United Republic of Tanzania	-	-	-	-	-	0	1	1	0	1
Uruguay	-	-	-	-	-	-	-	-	1	1
ECONOMIES IN TRANSITION	**0**	**0**	**6**	**4**	**2**	**31**	**34**	**41**	**49**	**55**
Albania	-	-	-	-	-	-	-	1	2	11
Belarus	-	-	-	-	-	1	2	2	1	1
Georgia	-	-	-	-	-	-	-	-	2	3
Kazakhstan	-	-	-	-	-	-	-	-	-	0
Kyrgyzstan	-	-	6	4	2	2	1	2	2	1

SOURCE: UNCTAD calculations based on IMF balance of payments statistics on CD-ROM.

TABLE 2.7.B

CATEGORIES OF SERVICES THAT INCLUDE CREATIVE INDUSTRIES: IMPORTS OF OTHER PERSONAL, CULTURAL AND RECREATIONAL SERVICES, BY ECONOMIC GROUP AND COUNTRY/TERRITORY, 1996-2005

IMPORTS (in millions of $)

Economic group and country/territory	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
TOTAL - REPORTING COUNTRIES	**1,875**	**2,725**	**3,275**	**3,196**	**1,696**	**497**	**821**	**3,601**	**2,801**	**2,812**
DEVELOPED ECONOMIES	**77**	**91**	**114**	**150**	**152**	**171**	**599**	**542**	**680**	**770**
Bulgaria	-	-	-	-	-	9	10	17	15	16
Cyprus	-	-	-	-	-	-	-	11	17	19
Czech Republic	-	-	-	-	-	-	134	97	102	122
Estonia	-	-	-	-	-	-	-	2	2	4
Hungary	-	-	-	-	-	-	-	-	12	21
Italy	-	-	-	-	-	-	225	202	232	201
Latvia	-	-	-	-	-	-	-	-	2	2
Lithuania	-	-	-	-	-	-	-	1	1	1
Malta	1	1	1	1	1	1	1	1	4	5
Norway	-	-	-	55	55	60	65	96	112	186
Portugal	76	90	113	94	96	101	98	117	182	193
Romania	-	-	-	-	-	-	66	-	-	-
DEVELOPING ECONOMIES	**1,798**	**2,634**	**3,160**	**3,044**	**1,542**	**320**	**218**	**3,052**	**2,111**	**1,991**
Barbados	-	-	-	-	-	-	-	-	-	0
Colombia	0	0	2	1	1	1	1	1	1	3
Congo	-	-	-	-	-	-	-	3	4	-
Guatemala	-	-	-	-	-	-	5	0	0	0
Haiti	-	-	-	-	-	-	-	-	-	17
Jamaica	-	-	-	-	-	-	2	2	-	-
Lebanon	-	-	-	-	-	-	-	-	-	0
Madagascar	-	-	-	-	-	-	-	0	-	-
Malaysia	-	-	-	-	-	-	-	2,922	1,899	1,855
Mali	-	-	-	-	-	-	-	-	12	13
Mozambique	-	-	-	-	-	-	0	0	0	1
Pakistan	-	-	-	-	-	-	-	-	-	-
Papua New Guinea	-	-	-	-	-	-	-	-	0	0
Philippines	-	-	-	-	-	21	-	1	4	-
Syrian Arab Republic	-	-	-	-	-	-	-	-	1	1
Tunisia	-	-	-	-	-	10	5	4	6	6
Turkey	1,798	2,634	3,158	3,043	1,541	288	205	117	176	88
United Republic of Tanzania	-	-	-	-	-	0	-	1	0	0
Uruguay	-	-	-	-	-	-	-	-	7	7
ECONOMIES IN TRANSITION	**0**	**0**	**2**	**3**	**3**	**6**	**4**	**7**	**9**	**51**
Albania	-	-	-	-	-	-	-	2	6	37
Belarus	-	-	-	-	-	4	4	5	3	4
Georgia	-	-	-	-	-	-	-	-	-	-
Kazakhstan	-	-	-	-	-	-	0	0	0	1
Kyrgyzstan	-	-	2	3	3	2	0	0	0	10

SOURCE: UNCTAD calculations based on IMF balance of payments statistics on CD-ROM.

CATEGORIES OF SERVICES THAT INCLUDE CREATIVE INDUSTRIES: EXPORTS OF ROYALTIES AND LICENCE FEES, BY ECONOMIC GROUP AND COUNTRY/TERRITORY, 1996-2005

TABLE 2.8.A

EXPORTS (in millions of $)

Economic group and country/territory	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
TOTAL - REPORTING ECONOMIES	**58,215**	**60,254**	**64,244**	**71,292**	**78,583**	**76,217**	**83,239**	**93,664**	**112,369**	**123,842**
DEVELOPED ECONOMIES	**57,068**	**58,954**	**62,908**	**68,842**	**76,678**	**73,956**	**80,949**	**90,614**	**107,879**	**119,714**
Australia	265	325	275	343	358	298	304	401	478	508
Austria	182	185	99	120	162	138	111	158	169	177
Belgium	-	-	-	-	-	-	649	882	1,021	1,107
Canada	877	1,164	1,401	1,544	2,259	2,412	2,496	2,838	3,270	3,471
Cyprus	6	10	12	13	16	26	43	15	18	15
Czech Republic	43	34	57	43	44	36	45	50	57	63
Estonia	1	1	1	2	2	2	5	5	4	5
Faeroe Islands	-	-	0	0	0	0	0	0	-	-
Finland	66	93	106	648	886	584	560	501	839	1,207
France	1,884	2,046	2,338	1,923	2,310	2,602	3,339	4,066	5,268	5,924
Germany	3,365	3,222	3,345	3,108	2,910	3,325	3,871	4,492	5,229	6,828
Greece	-	-	-	13	5	14	13	18	32	60
Hungary	45	100	46	62	112	96	349	313	540	834
Iceland	0	0	0	-	0	-	0	-	2	-
Ireland	101	117	249	583	638	185	282	211	352	589
Israel	158	177	216	254	496	425	404	425	535	610
Italy	381	490	477	563	563	443	539	525	770	1,131
Japan	6,681	7,303	7,388	8,190	10,227	10,462	10,422	12,271	15,701	17,655
Latvia	0	0	2	10	2	3	3	4	8	10
Lithuania	-	1	0	0	0	0	0	1	1	2
Luxembourg	61	75	100	122	134	202	115	128	193	287
Malta	1	0	1	-	2	0	1	1	3	3
Netherlands	2,427	2,199	2,515	2,435	2,171	1,740	1,963	2,930	4,205	3,866
New Zealand	-	-	50	-	49	58	79	108	112	101
Norway	118	103	89	149	161	159	171	195	242	524
Poland	24	27	22	25	34	48	34	28	30	61
Portugal	20	27	43	25	29	25	29	36	41	60
Slovakia	18	17	14	15	16	-	38	50	-	-
Slovenia	6	5	9	8	12	14	8	11	12	16
Spain	214	212	242	343	421	365	370	528	500	561
Sweden	997	1,003	1,114	1,386	1,275	1,427	1,516	2,336	3,459	3,324
United Kingdom	6,655	6,790	7,071	8,244	8,151	8,167	8,681	10,100	12,276	13,303
United States	32,470	33,228	35,626	39,670	43,233	40,696	44,508	46,988	52,512	57,410
DEVELOPING ECONOMIES	**883**	**1,101**	**1,259**	**1,315**	**1,731**	**2,064**	**2,036**	**2,802**	**4,134**	**3,699**
Angola	17	6	9	3	16	4	-	-	227	49
Anguilla	0	-	0	-	-	-	-	-	-	-
Argentina	16	18	26	25	37	47	33	52	61	54
Bangladesh	-	0	-	0	0	0	0	0	0	0
Barbados	-	-	0	0	0	0	1	1	2	2
Benin	-	-	-	-	-	0	0	0	-	-
Bolivia	-	-	-	2	2	2	2	2	2	2
Botswana	-	0	0	0	-	0	0	3	5	0
Brazil	78	97	142	133	125	112	100	108	114	102
Cambodia	-	-	-	-	-	-	-	0	0	0
Cameroon	0	0	0	2	2	0	0	0	-	-
Cape Verde	0	0	0	0	0	0	1	0	-	-
Chile	10	10	5	6	10	25	41	45	48	54
China	-	55	63	75	80	110	133	107	236	157
China, SAR of Hong Kong	-	-	155	78	107	196	229	341	218	-
Colombia	1	1	4	6	5	3	4	6	7	10
Costa Rica	2	0	0	1	0	1	2	0	1	-
Côte d'Ivoire	0	0	0	0	0	13	-	-	0	-
Dominica	-	-	0	0	0	-	-	-	-	-
Egypt	55	54	56	47	59	46	38	121	100	136
El Salvador	-	-	-	1	2	1	2	0	0	2
Eritrea	-	-	0	0	0	-	-	-	-	-
Ethiopia	-	-	-	-	-	-	-	-	0	0
Guatemala	-	-	-	-	-	-	-	-	0	-
Guinea	-	-	-	-	-	0	0	0	-	-
Guyana	14	17	17	16	15	23	34	32	34	35
India	7	12	19	23	83	37	20	25	-	-
Indonesia	-	-	-	-	-	-	-	-	221	263
Jamaica	4	7	7	6	6	6	6	12	10	13
Kenya	5	4	2	1	7	5	10	12	17	18
Korea, Republic of	185	252	260	455	688	924	835	1,311	1,861	1,827
Lesotho	-	44	20	13	12	11	11	15	17	18
Libyan Arab Jamahiriya	-	-	-	-	4	2	10	-	-	-
Madagascar	1	1	1	1	1	1	0	1	0	1
Malaysia	-	-	-	15	18	21	12	20	41	27
Maldives	1	3	3	2	4	4	4	6	7	3
Mali	-	-	-	-	-	0	0	-	0	-
Mauritius	-	-	-	-	0	-	-	-	0	0
Mexico	122	130	138	42	43	41	48	84	92	70
Mongolia	-	-	-	1	-	-	-	-	-	-
Morocco	5	4	7	6	22	15	11	26	16	13

TABLE

2.8.A

CONTINUED

EXPORTS (in millions of $)

Economic group and country/territory	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Mozambique	-	-	-	-	-	-	0	15	1	2
Myanmar	-	-	-	2	0	0	-	-	-	-
Namibia	7	7	6	6	5	5	4	-	-	-
Netherlands Antilles	4	4	5	6	6	3	2	1	0	0
Niger	-	-	-	-	-	0	-	-	-	-
Occupied Palestinian Territory	-	-	-	-	0	-	-	0	0	-
Pakistan	18	2	1	6	-	2	6	8	10	15
Paraguay	157	182	183	192	203	180	187	193	208	196
Peru	0	7	1	1	3	2	2	2	2	2
Philippines	5	18	-	6	7	1	1	4	12	6
Rwanda	0	0	1	-	-	-	-	-	-	-
Saint Kitts and Nevis, and Anguilla	-	-	-	-	-	-	-	0	-	-
Saint Vincent and the Grenadines	0	-	-	-	-	-	-	-	-	-
Senegal	0	-	0	2	0	0	0	-	-	-
Singapore	74	64	58	61	85	176	204	196	494	544
Solomon Islands	-	-	0	0	-	-	-	-	-	-
South Africa	67	52	49	44	49	21	19	27	37	45
Sudan	-	0	0	-	-	-	-	-	-	-
Swaziland	0	0	0	0	0	0	0	0	0	0
Thailand	25	44	7	19	9	9	7	7	14	17
Tunisia	1	1	11	10	15	15	16	18	18	14
United Republic of Tanzania	-	3	1	1	0	0	-	-	-	-
Uruguay	-	-	-	-	0	-	-	-	0	0
ECONOMIES IN TRANSITION	**264**	**198**	**77**	**134**	**174**	**197**	**254**	**248**	**356**	**429**
Albania	-	-	-	-	-	-	-	5	15	1
Azerbaijan	-	-	-	-	-	-	-	-	-	0
Belarus	-	2	1	1	1	1	1	1	2	3
Bulgaria	-	-	-	-	4	3	4	5	7	5
Croatia	3	19	42	82	66	106	85	35	41	73
Georgia	-	-	-	-	-	-	6	6	8	9
Kazakhstan	-	-	-	-	-	-	-	0	0	0
Kyrgyzstan	-	-	3	3	5	1	1	1	1	2
Macedonia, TFYR	1	2	1	2	3	3	3	2	3	3
Moldova, Republic of	1	-	0	0	1	1	1	1	2	2
Romania	101	-	3	4	3	16	3	3	8	48
Russian Federation	159	176	27	43	91	60	147	174	227	260
Tajikistan	-	-	-	-	-	-	0	1	1	1
Ukraine	-	-	-	-	1	5	4	14	40	22

SOURCE: UNCTAD calculations based on IMF balance of payments statistics on CD-ROM.

CATEGORIES OF SERVICES THAT INCLUDE CREATIVE INDUSTRIES: IMPORTS OF ROYALTIES AND LICENCE FEES, BY ECONOMIC GROUP AND COUNTRY/TERRITORY, 1996-2005

TABLE 2.8.B

IMPORTS (in millions of $)

Economic group and country/territory	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
TOTAL - REPORTING ECONOMIES	**56,165**	**59,482**	**67,119**	**74,299**	**82,159**	**83,178**	**91,917**	**106,926**	**127,741**	**134,548**
DEVELOPED ECONOMIES	**47,935**	**49,709**	**57,039**	**60,206**	**65,134**	**65,887**	**73,140**	**83,888**	**99,185**	**104,114**
Australia	1,069	1,100	1,010	1,132	1,017	869	1,014	1,267	1,450	1,645
Austria	696	691	817	625	566	756	1,056	1,118	1,249	1,334
Belgium	-	-	-	-	-	-	741	984	1,036	1,107
Canada	1,951	2,327	2,708	3,339	3,768	3,777	4,487	5,632	6,411	6,649
Cyprus	17	15	18	21	21	20	15	39	53	45
Czech Republic	98	78	113	137	82	93	119	176	172	216
Estonia	3	5	7	6	8	11	14	14	18	25
Faeroe Islands	-	-	3	3	3	3	3	3	-	-
Finland	465	504	411	375	565	534	605	616	800	1,123
France	2,653	2,477	2,717	2,277	2,043	1,890	1,886	2,427	3,169	3,230
Germany	5,884	5,734	5,649	5,140	5,673	5,506	5,310	5,318	5,817	6,589
Greece	57	58	-	205	203	225	287	335	466	442
Hungary	132	192	215	307	259	269	417	464	1,054	1,068
Iceland	1	1	1	1	1	1	1	2	2	4
Ireland	3,418	4,090	7,935	7,244	8,329	9,468	11,001	16,077	18,847	19,426
Israel	184	196	213	263	354	453	455	434	491	537
Italy	1,027	1,004	1,155	1,382	1,198	1,312	1,272	1,698	1,751	1,942
Japan	9,829	9,620	8,947	9,855	11,007	11,099	11,021	11,003	13,644	14,654
Latvia	1	1	7	10	12	7	7	10	14	14
Lithuania	4	5	6	14	12	10	11	18	18	21
Luxembourg	61	100	99	107	122	243	99	110	148	130
Malta	11	13	12	14	10	10	12	14	18	18
Netherlands	2,945	2,655	3,061	3,462	2,505	2,321	2,612	3,360	3,339	3,692
New Zealand	-	-	293	-	313	317	362	452	531	555
Norway	290	364	348	342	439	329	329	394	485	465
Poland	144	175	195	491	555	508	557	745	883	1,036
Portugal	274	288	304	303	276	250	315	306	355	328
Slovakia	83	85	55	54	58	-	63	91	-	-
Slovenia	27	33	39	47	49	60	78	90	123	113
Spain	1,447	1,644	1,878	1,864	1,681	1,678	1,814	2,520	3,037	2,639
Sweden	1,006	957	939	1,147	900	860	892	1,277	1,420	1,498
United Kingdom	6,320	6,137	6,652	6,933	6,637	6,470	6,930	7,861	9,174	9,069
United States	7,837	9,161	11,235	13,107	16,468	16,538	19,353	19,033	23,211	24,501
DEVELOPING ECONOMIES	**8,137**	**9,698**	**10,002**	**13,990**	**16,146**	**16,600**	**18,096**	**21,746**	**26,850**	**27,901**
Angola	-	0	1	2	6	0	-	-	2	3
Anguilla	0	0	0	-	-	-	0	0	0	0
Antigua and Barbuda	0	-	0	0	0	0	1	1	1	1
Argentina	482	544	590	582	580	564	351	399	518	635
Aruba	-	-	-	0	0	1	3	4	5	7
Bahamas	6	10	9	12	14	13	14	15	19	16
Bangladesh	5	8	5	6	4	6	3	4	5	3
Barbados	18	21	22	23	24	24	25	25	20	29
Belize	0	1	0	2	3	2	0	0	0	0
Benin	0	0	2	1	0	1	1	2	2	-
Bolivia	4	5	5	5	5	5	6	8	10	11
Botswana	-	3	9	6	6	9	8	12	11	12
Brazil	797	887	1,075	1,283	1,415	1,244	1,229	1,228	1,197	1,404
Burkina Faso	-	-	-	-	0	0	-	-	-	-
Burundi	0	-	-	-	-	-	-	-	-	-
Cambodia	-	-	5	7	4	5	5	6	6	7
Cameroon	1	3	0	3	5	2	1	2	-	-
Cape Verde	0	0	0	0	-	0	0	0	0	0
Chile	117	140	223	324	297	269	251	257	283	322
China	-	543	420	792	1,281	1,938	3,114	3,548	4,497	5,321
China, SAR of Hong Kong	-	-	537	281	461	491	696	864	1,111	-
Colombia	61	60	62	69	73	73	86	76	82	118
Costa Rica	24	27	32	31	50	49	51	64	51	57
Côte d'Ivoire	16	16	26	15	9	23	6	11	22	-
Dominica	0	0	0	0	0	0	0	0	0	0
Dominican Republic	29	16	25	30	30	22	30	30	30	31
Ecuador	68	64	68	70	62	52	44	43	43	42
Egypt	40	365	392	329	401	361	171	165	108	182
El Salvador	0	-	-	20	21	22	20	22	18	30
Eritrea	-	-	0	0	0	-	-	-	-	-
Ethiopia	0	-	-	0	0	0	0	0	0	1
Grenada	1	1	1	1	1	1	0	1	1	1
Guatemala	-	-	-	-	-	-	-	-	0	-
Guinea	-	-	0	0	-	1	1	1	0	-
Guyana	10	1	12	14	11	5	22	18	19	19
Honduras	4	5	9	10	10	11	11	17	18	22
India, including Sikkim	118	150	201	315	282	317	345	421	-	-
Indonesia	-	-	-	-	-	-	-	-	990	961
Jamaica	28	28	30	41	41	38	32	11	9	11
Kenya	-	39	40	44	77	62	42	39	50	37
Lebanon	-	-	-	-	-	-	-	-	0	-

TABLE

2.8.B

CONTINUED

IMPORTS (in millions of $)

Economic group and country/territory	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Lesotho	0	1	1	-	-	0	-	-	-	-
Madagascar	3	11	10	10	11	8	13	4	8	3
Malawi	0	1	1	0	0	0	0	-	-	-
Malaysia	-	-	-	481	546	751	628	782	911	1,370
Mali	2	2	1	1	1	1	1	1	1	-
Mauritius	-	-	-	-	1	1	2	2	4	5
Mexico	360	501	454	554	407	419	720	608	805	111
Montserrat	-	-	0	0	0	0	0	0	0	0
Morocco	133	123	172	201	19	35	41	29	37	45
Mozambique	-	-	-	-	0	0	0	1	3	5
Namibia	3	3	3	3	8	0	2	4	3	-
Netherlands Antilles	5	5	7	6	4	5	7	5	5	6
Niger	-	-	0	0	0	0	1	0	0	-
Occupied Palestinian Territory	-	-	0	-	0	0	2	0	2	-
Pakistan	14	19	11	22	28	19	18	36	86	110
Panama	17	16	26	30	42	36	47	42	46	42
Paraguay	1	2	2	3	9	7	5	5	2	1
Peru	79	54	63	61	62	61	65	66	68	69
Philippines	82	158	70	110	197	159	236	278	273	265
Republic of Korea	2,431	2,414	2,369	2,661	3,221	3,053	3,002	3,570	4,446	4,398
Rwanda	1	1	1	1	1	0	0	-	-	-
Saint Kitts and Nevis, and Anguilla	0	0	0	1	1	1	1	1	2	2
Saint Lucia	1	1	2	2	2	1	2	2	2	2
Saint Vincent and the Grenadines	0	0	0	1	1	1	0	0	0	0
Samoa	0	0	0	0	-	-	-	-	0	0
Senegal	0	2	4	5	5	3	3	1	7	-
Seychelles	1	1	0	0	0	0	1	1	1	1
Singapore	1,997	1,908	1,867	4,295	5,044	4,829	4,793	6,635	7,851	8,647
Solomon Islands	0	0	0	0	-	-	-	-	-	-
South Africa	309	258	228	213	246	330	447	617	891	1,071
Sudan	-	0	0	-	0	-	-	-	-	-
Swaziland	15	39	39	40	35	43	54	114	76	88
Syrian Arab Republic	-	-	-	-	-	-	-	10	10	12
Thailand	717	804	514	583	710	823	1,104	1,268	1,584	1,674
Togo	1	1	0	1	1	1	0	1	2	-
Trinidad and Tobago	0	1	0	-	-	-	-	-	-	-
Tunisia	3	4	3	3	3	6	6	6	8	8
Turkey	124	275	242	186	173	119	107	167	362	439
United Republic of Tanzania	-	0	5	4	4	4	0	1	1	0
Uruguay	6	7	9	9	7	10	7	14	4	4
Venezuela (Bolivarian Republic of)	2	146	94	186	184	260	211	183	219	239
Zambia	-	0	0	0	0	-	-	-	-	-
ECONOMIES IN TRANSITION	**94**	**75**	**78**	**103**	**879**	**691**	**681**	**1,293**	**1,706**	**2,533**
Albania	-	-	-	-	-	-	-	8	5	4
Azerbaijan	-	-	-	-	-	-	2	0	-	0
Belarus	-	2	1	1	3	4	3	6	9	20
Bulgaria	-	-	-	-	10	11	23	24	31	79
Croatia	33	31	47	50	61	62	77	131	146	193
Georgia	-	-	-	-	-	-	11	11	6	5
Kazakhstan	-	-	-	-	12	14	20	20	26	31
Kyrgyzstan	-	-	4	3	9	7	0	0	2	2
Macedonia, TFYR	3	2	2	3	6	6	10	7	9	10
Moldova, Republic of	2	0	0	0	2	1	1	3	3	2
Romania	12	29	21	38	45	60	85	80	108	173
Russian Federation	44	11	3	8	69	343	338	711	1,094	1,593
Tajikistan	-	-	-	-	-	-	1	0	0	0
Ukraine	-	-	-	-	663	183	110	292	268	421

SOURCE: UNCTAD calculations based on IMF balance of payments statistics on CD-ROM.

TABLE 3.1

RELATED INDUSTRIES: WORLD EXPORTS AND IMPORTS, BY ECONOMIC GROUP AND COUNTRY/TERRITORY, 1996-2005

EXPORTS (f.o.b., in millions of $)

Economic group and country/territory	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
WORLD	**209,143**	**247,983**	**251,815**	**270,773**	**323,812**	**307,353**	**341,108**	**394,778**	**496,287**	**575,996**
Developed economies (1)	158,161	167,452	171,544	181,456	203,551	185,478	201,664	219,173	263,922	299,507
Developing economies	50,981	80,078	78,002	88,921	119,662	121,190	138,759	174,475	231,162	273,881
Economies in transition (2)	1	453	2,269	397	599	686	685	1,130	1,203	2,608
Developed economies: America	**27,577**	**32,017**	**30,981**	**31,776**	**36,644**	**33,074**	**30,244**	**31,130**	**36,605**	**41,145**
Canada	2,384	2,801	3,129	3,345	4,361	3,624	3,031	3,085	3,831	4,575
Greenland	1	0	0	0	0	0	0	-	-	-
United States	25,193	29,216	27,852	28,430	32,283	29,450	27,213	28,044	32,774	36,570
Developed economies: Asia	**35,888**	**37,197**	**35,464**	**39,378**	**45,366**	**38,792**	**42,569**	**50,900**	**60,417**	**60,560**
Israel	7,033	7,551	7,113	8,493	10,747	10,057	11,386	12,680	15,367	17,217
Japan	28,855	29,646	28,351	30,885	34,619	28,735	31,182	38,219	45,050	43,343
Developed economies: Europe	**89,443**	**93,195**	**99,189**	**105,989**	**117,366**	**109,895**	**124,922**	**132,140**	**161,322**	**192,039**
European Union (EU-27)	**84,909**	**89,070**	**95,607**	**102,223**	**113,379**	**105,991**	**121,152**	**127,976**	**156,154**	**186,701**
Austria	1,319	1,431	1,667	1,747	2,460	2,053	2,022	2,413	3,027	4,008
Belgium	-	-	-	-	-	-	18,434	17,912	21,060	23,095
Belgium-Luxembourg	15,897	15,667	15,090	17,412	18,314	17,838	-	-	-	-
Bulgaria	27	24	19	20	25	36	51	77	72	88
Cyprus	37	13	10	27	5	7	4	5	75	329
Czech Republic	471	-	620	615	898	1,261	1,462	1,975	3,413	3,323
Denmark	1,505	-	2,061	2,203	2,219	2,301	3,330	2,849	3,126	4,238
Estonia	78	270	390	369	928	828	555	777	974	1,216
Finland	3,263	3,553	4,772	5,280	7,199	6,086	6,914	7,958	7,827	10,501
France	7,685	8,449	9,976	10,401	12,478	9,949	10,411	10,756	13,004	13,322
Germany	17,812	18,129	18,876	20,381	20,872	23,553	25,153	25,847	34,590	38,139
Greece	53	82	116	117	129	149	140	162	177	223
Hungary	197	1,036	1,599	1,902	2,956	3,589	5,094	6,820	10,004	9,698
Ireland	864	946	857	1,055	979	935	1,127	669	933	1,267
Italy	4,453	4,107	4,141	4,197	4,118	4,320	4,432	4,890	6,175	6,912
Latvia	-	7	9	10	13	15	13	33	50	61
Lithuania	-	93	49	43	47	51	72	116	233	331
Luxembourg	-	-	-	-	-	-	962	793	797	853
Malta	58	34	30	28	21	23	28	25	31	37
Netherlands	4,478	5,617	4,773	5,065	5,605	4,368	4,181	8,089	12,159	14,551
Poland	357	625	867	853	983	1,298	1,447	1,679	2,106	2,592
Portugal	851	826	921	1,077	1,168	1,041	929	1,147	1,302	1,377
Romania	-	30	23	27	260	170	339	381	455	339
Slovakia	-	144	209	199	246	357	245	319	711	1,766
Slovenia	99	102	107	100	130	117	133	134	125	164
Spain	1,967	2,081	2,387	2,440	2,485	2,547	3,058	3,767	4,101	4,490
Sweden	7,084	8,301	8,558	8,126	7,607	5,125	5,854	6,013	8,224	9,140
United Kingdom	16,353	17,502	17,480	18,532	21,233	17,975	24,761	22,371	21,405	34,642
Other European countries	**4,533**	**4,126**	**3,582**	**3,765**	**3,987**	**3,904**	**3,771**	**4,164**	**5,168**	**5,338**
Andorra	1	2	2	1	1	6	9	15	28	-
Faeroe Islands	0	0	0	0	0	-	-	-	-	-
Iceland	-	0	0	1	1	1	1	1	2	3
Norway	416	494	432	475	520	605	394	429	518	542
Switzerland	4,116	3,629	3,148	3,289	3,465	3,292	3,367	3,718	4,619	4,793
Developed economies: Oceania	**5,253**	**5,042**	**5,910**	**4,313**	**4,175**	**3,717**	**3,929**	**5,004**	**5,578**	**5,763**
Australia	5,104	4,868	5,762	4,166	4,012	3,607	3,814	4,860	5,397	5,603
New Zealand	149	174	147	148	163	110	115	144	180	161
Developing economies: Africa	**30**	**3,611**	**1,780**	**2,860**	**2,458**	**1,749**	**2,404**	**7,395**	**6,682**	**7,794**
Eastern Africa	**29**	**112**	**113**	**128**	**201**	**317**	**572**	**309**	**349**	**580**
Burundi	-	-	-	-	-	-	-	0	0	0
Eritrea	-	-	-	-	-	-	-	0	-	-
Ethiopia	-	-	-	-	-	5	4	0	-	-
Kenya	-	15	8	12	11	18	23	25	15	-
Madagascar	5	8	5	16	21	12	12	14	10	23
Malawi	1	-	-	0	1	1	0	0	1	0
Mauritius	-	40	40	43	45	38	56	90	96	325
Mayotte	-	-	-	-	0	0	0	0	0	0
Mozambique	-	-	-	-	1	2	1	2	6	1
Rwanda	-	-	-	-	-	0	0	0	-	-
Seychelles	-	0	0	0	-	-	-	0	1	1
Uganda	23	19	7	14	0	34	59	9	52	80
United Republic of Tanzania	-	20	41	17	98	183	159	85	114	127
Zambia	-	10	12	26	17	24	31	82	25	22
Zimbabwe	-	-	-	-	7	1	227	-	30	-
Middle Africa	**-**	**31**	**54**	**61**	**52**	**32**	**35**	**24**	**1**	**39**
Cameroon	-	-	-	-	0	0	0	1	0	0
Central African Republic	-	30	53	58	51	30	33	22	-	38

TABLE 3.1

IMPORTS (c.i.f., in millions of $)

1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	Economic group and country/territory
206,946	**236,942**	**243,118**	**271,350**	**325,269**	**303,111**	**333,595**	**382,150**	**488,917**	**562,546**	**WORLD**
163,498	167,201	180,180	200,835	231,837	212,398	232,257	257,992	326,898	367,778	Developed economies (1)
43,413	68,152	61,715	69,441	91,856	88,401	98,286	120,716	157,042	186,809	Developing economies
34	1,589	1,223	1,074	1,576	2,313	3,052	3,443	4,978	7,959	Economies in transition (2)
49,951	**54,648**	**61,291**	**69,474**	**86,163**	**81,113**	**86,322**	**91,678**	**110,825**	**124,549**	**Developed economies: America**
5,198	6,275	6,585	7,022	8,307	7,515	7,780	8,456	9,947	11,149	Canada
12	9	10	8	6	7	8	-	-	-	Greenland
44,740	48,364	54,696	62,444	77,851	73,591	78,533	83,223	100,879	113,400	United States
19,715	**17,754**	**14,763**	**17,833**	**21,085**	**19,758**	**20,667**	**22,846**	**28,373**	**30,748**	**Developed economies: Asia**
6,305	6,208	5,452	7,234	8,303	6,922	8,482	8,853	10,681	11,144	Israel
13,410	11,546	9,311	10,599	12,783	12,836	12,185	13,993	17,692	19,604	Japan
89,336	**90,389**	**98,739**	**108,264**	**118,871**	**106,913**	**120,284**	**136,855**	**179,175**	**203,285**	**Developed economies: Europe**
83,103	**83,979**	**92,049**	**101,892**	**111,670**	**100,198**	**114,224**	**130,034**	**170,494**	**194,234**	**European Union (EU-27)**
1,993	2,091	2,400	2,598	2,561	2,292	2,493	3,106	3,775	4,623	Austria
-	-	-	-	-	-	17,668	16,561	19,912	22,639	Belgium
14,235	14,461	13,640	16,032	17,269	14,828	-	-	-	-	Belgium-Luxembourg
81	103	91	155	146	225	232	310	389	525	Bulgaria
135	118	122	119	117	133	131	157	254	525	Cyprus
906	137	849	923	1,288	1,216	1,287	1,819	2,604	2,814	Czech Republic
1,829	255	2,034	2,067	2,207	2,091	3,089	2,793	3,440	4,830	Denmark
160	199	264	232	377	552	308	548	462	570	Estonia
1,121	1,104	1,331	1,440	2,315	1,999	1,869	2,272	2,849	4,316	Finland
8,991	9,468	10,444	10,773	11,718	11,214	11,412	13,331	16,569	18,780	France
14,386	12,991	14,275	15,472	16,375	18,220	19,681	21,605	29,413	33,796	Germany
1,072	937	1,290	1,222	1,052	967	1,227	1,425	1,764	1,835	Greece
527	787	1,197	1,523	1,785	1,628	2,137	2,996	4,378	4,222	Hungary
1,088	1,081	911	1,015	1,254	1,374	1,528	1,332	1,719	2,171	Ireland
6,216	6,781	7,660	8,083	8,387	7,964	8,609	10,388	14,496	14,639	Italy
-	76	92	100	93	118	131	178	236	287	Latvia
-	188	179	123	140	194	259	312	427	558	Lithuania
-	-	-	-	-	-	735	717	829	879	Luxembourg
84	75	68	78	82	67	80	87	98	97	Malta
5,181	5,447	5,280	6,194	7,114	7,221	6,733	8,641	14,024	15,593	Netherlands
1,110	1,518	1,937	1,991	2,173	1,948	1,959	2,301	3,002	4,086	Poland
1,012	1,161	1,244	1,533	1,599	1,463	1,442	1,695	1,956	2,079	Portugal
-	321	394	290	344	419	472	693	1,013	1,288	Romania
-	326	367	286	294	369	419	561	796	1,219	Slovakia
187	217	255	310	276	237	260	298	414	405	Slovenia
4,062	4,018	4,915	5,988	5,980	5,510	5,966	7,756	10,118	11,287	Spain
3,031	3,225	3,686	3,364	3,632	3,262	3,508	4,286	5,579	6,018	Sweden
15,696	16,894	17,125	19,981	23,097	14,688	20,589	23,865	29,979	34,155	United Kingdom
6,233	**6,410**	**6,689**	**6,372**	**7,201**	**6,715**	**6,060**	**6,821**	**8,681**	**9,051**	**Other European countries**
67	67	81	86	82	101	124	162	198	-	Andorra
7	7	8	9	11	13	14	14	14	14	Faeroe Islands
-	76	102	93	107	76	72	102	143	167	Iceland
1,092	1,094	1,283	1,203	1,256	1,192	1,261	1,563	2,097	2,200	Norway
5,066	5,165	5,215	4,981	5,744	5,333	4,589	4,980	6,230	6,670	Switzerland
4,496	**4,410**	**5,387**	**5,264**	**5,718**	**4,614**	**4,984**	**6,612**	**8,524**	**9,196**	**Developed economies: Oceania**
3,789	3,728	4,862	4,551	4,851	3,908	4,297	5,732	7,409	7,991	Australia
708	682	525	713	867	706	688	880	1,115	1,205	New Zealand
202	**2,281**	**2,688**	**2,568**	**3,242**	**2,852**	**3,949**	**5,167**	**6,225**	**6,478**	**Developing economies: Africa**
37	**214**	**293**	**266**	**273**	**406**	**466**	**551**	**629**	**755**	**Eastern Africa**
-	-	-	-	-	-	-	1	4	6	Burundi
-	-	-	-	-	-	-	8	-	-	Eritrea
-	-	-	-	-	39	42	100	-	-	Ethiopia
-	68	106	66	55	87	81	81	98	-	Kenya
15	12	11	10	12	16	10	31	50	30	Madagascar
-	-	-	10	20	9	10	15	18	14	Malawi
-	79	75	110	86	73	86	134	167	396	Mauritius
-	-	-	-	3	6	5	7	9	10	Mayotte
-	-	-	-	23	10	26	27	77	38	Mozambique
-	-	-	-	-	7	7	11	-	-	Rwanda
-	5	10	4	-	1	2	6	12	8	Seychelles
22	18	29	21	29	58	43	50	68	85	Uganda
-	18	29	24	22	38	30	36	54	111	United Republic of Tanzania
-	15	33	21	24	30	24	44	29	55	Zambia
-	-	-	-	-	32	101	-	45	-	Zimbabwe
-	**19**	**23**	**21**	**52**	**49**	**48**	**69**	**79**	**87**	**Middle Africa**
-	-	-	-	27	30	34	41	56	55	Cameroon
-	1	1	2	1	1	1	6	-	3	Central African Republic

TABLE 3.1

RELATED INDUSTRIES: WORLD EXPORTS AND IMPORTS, BY ECONOMIC GROUP AND COUNTRY/TERRITORY, 1996-2005

CONTINUED

EXPORTS (f.o.b., in millions of $)

Economic group and country/territory	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Gabon	-	1	1	3	1	2	2	1	1	1
Sao Tome and Principe	-	-	-	0	-	-	0	-	-	-
Northern Africa	**1**	**0**	**0**	**0**	**33**	**33**	**90**	**84**	**96**	**96**
Algeria	1	0	0	0	0	0	0	0	2	-
Morocco	-	-	-	-	-	-	27	29	32	30
Sudan	-	-	-	0	0	-	23	-	-	-
Tunisia	-	-	-	-	33	33	40	54	62	66
Southern Africa	**-**	**3,466**	**1,428**	**2,497**	**1,994**	**1,203**	**1,704**	**6,971**	**6,182**	**6,165**
Botswana	-	-	-	-	20	5	12	2,957	-	-
Namibia	-	-	-	-	516	467	425	190	718	755
South Africa	-	3,466	1,428	2,497	1,456	728	1,263	3,823	5,464	5,410
Swaziland	-	-	-	-	3	3	3	-	-	-
Western Africa	**1**	**1**	**184**	**174**	**179**	**163**	**4**	**7**	**54**	**913**
Benin	-	-	0	0	0	0	0	0	0	0
Burkina Faso	-	-	-	-	-	2	2	3	3	-
Cape Verde	-	0	0	0	0	-	-	-	-	0
Côte d'Ivoire	-	-	-	-	-	1	-	-	46	40
Gambia	0	0	0	0	0	0	0	0	0	0
Ghana	-	-	-	-	-	-	-	2	0	867
Guinea	-	-	5	0	0	0	0	-	-	-
Mali	-	-	176	158	175	159	0	1	1	-
Mauritania	-	-	-	-	-	-	-	-	-	-
Niger	-	-	0	0	0	0	0	0	0	0
Nigeria	-	-	-	13	0	0	0	0	-	-
Senegal	1	1	1	1	2	1	1	2	3	5
Togo	-	-	1	0	0	0	0	0	0	0
Developing economies: America	**8,612**	**11,511**	**13,231**	**15,749**	**19,996**	**19,984**	**18,653**	**16,943**	**21,029**	**26,622**
Caribbean	**0**	**1**	**17**	**15**	**21**	**28**	**21**	**53**	**56**	**42**
Anguilla	-	-	-	-	-	-	0	0	2	-
Antigua and Barbuda	-	-	-	2	7	-	-	-	-	5
Aruba	-	-	-	-	-	-	3	2	2	2
Bahamas	-	0	2	5	4	3	-	-	-	-
Barbados	-	-	-	-	2	3	1	3	3	15
Cuba	-	-	-	0	0	1	0	30	33	-
Dominica	-	-	-	0	0	0	0	0	0	0
Dominican Republic	-	-	-	-	-	1	-	-	-	-
Grenada	-	-	-	-	0	0	1	1	1	-
Haiti	0	0	-	-	-	-	-	-	-	-
Jamaica	-	-	0	1	1	0	1	1	2	1
Montserrat	-	-	-	0	-	0	0	0	0	0
Netherlands Antilles	-	-	15	-	-	-	-	-	-	-
Saint Kitts and Nevis	-	-	-	0	0	1	1	0	0	1
Saint Lucia	-	-	-	-	0	0	3	7	4	3
Saint Vincent and the Grenadines	-	-	0	0	0	0	0	0	0	1
Trinidad and Tobago	-	-	-	6	5	17	9	8	6	14
Turks and Caicos Islands	-	-	-	0	1	0	0	1	2	-
Central America	**8,327**	**9,653**	**11,452**	**13,845**	**17,139**	**17,093**	**16,020**	**14,390**	**18,534**	**22,476**
Belize	-	-	0	0	1	-	0	0	0	0
Costa Rica	-	24	14	17	13	24	24	40	180	212
El Salvador	-	-	9	9	12	8	9	9	12	-
Guatemala	-	4	6	8	8	10	11	12	14	23
Honduras	-	2	2	2	0	0	0	2	6	9
Mexico	8,327	9,603	11,420	13,808	17,105	17,047	15,972	14,324	18,319	22,230
Nicaragua	-	19	0	0	1	0	2	1	2	0
Panama	-	-	1	1	1	3	2	1	1	2
South America	**285**	**1,858**	**1,763**	**1,890**	**2,836**	**2,862**	**2,613**	**2,500**	**2,439**	**4,104**
Argentina	66	79	68	65	78	72	93	76	85	85
Bolivia	-	1	1	2	3	2	4	2	3	3
Brazil	-	1,594	1,463	1,553	2,451	2,560	2,312	2,218	2,076	3,742
Chile	-	16	15	16	20	24	22	22	29	30
Colombia	204	154	99	124	128	126	143	145	152	161
Ecuador	5	-	4	4	4	5	7	5	9	18
Guyana	-	0	0	109	120	44	3	6	53	6
Paraguay	-	-	2	1	1	0	2	2	1	1
Peru	-	-	98	5	14	11	5	9	14	41
Suriname	-	-	-	-	-	-	-	-	-	-
Uruguay	-	3	4	4	5	7	2	3	5	7
Venezuela (Bolivarian Republic of)	11	11	8	7	11	10	20	11	13	9

TABLE
3.1

IMPORTS (c.i.f., in millions of $)

1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	Economic group and country/territory
-	17	22	19	25	18	13	21	23	30	Gabon
-	-	-	1	0	0	0	1	-	-	Sao Tome and Principe
141	**153**	**154**	**221**	**460**	**434**	**871**	**1,250**	**1,815**	**1,069**	**Northern Africa**
141	153	154	205	256	219	323	462	769	-	Algeria
-	-	-	-	-	-	340	417	612	660	Morocco
-	-	-	16	26	26	32	40	51	110	Sudan
-	-	-	-	178	190	176	331	383	299	Tunisia
-	**1,869**	**2,138**	**1,869**	**2,266**	**1,619**	**2,179**	**2,539**	**3,380**	**4,109**	**Southern Africa**
-	-	-	-	138	80	137	151	-	-	Botswana
-	-	-	-	51	48	30	50	85	74	Namibia
-	1,869	2,138	1,869	2,060	1,479	1,993	2,337	3,295	4,035	South Africa
-	-	-	-	16	12	18	-	-	-	Swaziland
24	**25**	**81**	**192**	**191**	**343**	**384**	**758**	**322**	**459**	**Western Africa**
-	-	9	12	8	6	4	6	9	10	Benin
-	-	-	-	-	7	7	11	19	-	Burkina Faso
-	5	6	4	5	5	5	5	8	8	Cape Verde
-	-	-	-	-	44	-	-	92	130	Côte d'Ivoire
4	4	3	3	3	2	2	2	4	3	Gambia
-	-	-	-	-	-	-	65	113	234	Ghana
-	-	22	6	5	4	6	-	-	-	Guinea
-	-	6	8	11	18	9	24	20	-	Mali
-	-	-	-	4	3	7	4	7	7	Mauritania
-	-	3	3	4	4	3	7	6	11	Niger
-	-	-	114	129	224	321	605	-	-	Nigeria
20	17	25	38	21	24	18	24	40	50	Senegal
-	-	7	4	2	2	2	3	4	5	Togo
5,557	**12,563**	**14,310**	**14,438**	**17,225**	**16,734**	**14,430**	**15,212**	**21,264**	**27,503**	**Developing economies: America**
-	**22**	**114**	**266**	**380**	**542**	**525**	**580**	**619**	**404**	**Caribbean**
-	-	-	-	-	-	1	1	2	-	Anguilla
-	-	-	13	15	-	-	-	-	12	Antigua and Barbuda
-	-	-	-	-	-	53	52	59	49	Aruba
-	22	27	28	30	27	-	-	-	-	Bahamas
-	-	-	-	42	31	36	62	77	85	Barbados
-	-	-	105	115	129	130	145	171	-	Cuba
-	-	-	4	4	4	4	6	7	9	Dominica
-	-	-	-	-	126	-	-	-	-	Dominican Republic
-	-	-	-	7	7	7	16	10	-	Grenada
-	-	-	-	-	-	-	-	-	-	Haiti
-	-	63	61	93	149	185	174	163	113	Jamaica
-	-	-	0	-	0	1	1	1	0	Montserrat
-	-	21	-	-	-	-	-	-	-	Netherlands Antilles
-	-	-	2	4	2	3	4	5	7	Saint Kitts and Nevis
-	-	-	-	11	7	21	38	17	16	Saint Lucia
-	-	3	3	4	4	6	14	8	7	Saint Vincent and the Grenadines
-	-	-	47	51	51	74	66	94	105	Trinidad and Tobago
-	-	-	3	4	4	4	3	6	-	Turks and Caicos Islands
3,490	**4,839**	**6,186**	**7,351**	**9,467**	**9,721**	**9,117**	**9,202**	**12,034**	**14,639**	**Central America**
-	-	5	1	8	7	8	8	10	14	Belize
-	125	158	133	144	142	180	191	223	249	Costa Rica
-	14	81	117	114	102	102	152	234	-	El Salvador
-	107	134	135	206	245	295	287	422	444	Guatemala
-	53	62	70	14	14	16	93	134	152	Honduras
3,490	4,474	5,566	6,711	8,808	9,044	8,362	8,296	10,914	13,544	Mexico
-	64	30	45	51	49	61	90	97	101	Nicaragua
-	-	150	140	123	119	92	85	-	137	Panama
2,067	**7,701**	**8,011**	**6,821**	**7,378**	**6,470**	**4,788**	**5,430**	**8,611**	**12,460**	**South America**
1,072	1,713	1,647	1,584	1,881	1,046	189	500	1,488	2,098	Argentina
-	69	30	38	68	62	52	46	58	68	Bolivia
-	3,429	2,721	2,412	2,312	2,127	1,594	1,634	2,468	3,280	Brazil
-	831	985	888	984	813	780	798	1,093	1,365	Chile
588	785	975	487	605	722	766	934	1,209	1,923	Colombia
110	191	244	99	129	308	383	504	645	815	Ecuador
-	11	12	7	10	11	7	6	6	5	Guyana
-	-	160	121	134	121	99	101	245	352	Paraguay
-	-	431	367	405	434	423	537	570	679	Peru
-	-	-	-	-	-	16	13	14	20	Suriname
-	147	149	150	124	99	41	38	75	159	Uruguay
297	526	657	669	726	727	438	319	739	1,695	Venezuela (Bolivarian Republic of)

TABLE 3.1

RELATED INDUSTRIES: WORLD EXPORTS AND IMPORTS, BY ECONOMIC GROUP AND COUNTRY/TERRITORY, 1996-2005

CONTINUED

EXPORTS (f.o.b., in millions of $)

Economic group and country/territory	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Developing economies: Asia	**42,181**	**64,816**	**62,848**	**70,155**	**97,023**	**99,320**	**117,559**	**150,008**	**203,329**	**239,332**
Eastern Asia	**35,298**	**38,004**	**38,153**	**40,579**	**59,438**	**63,129**	**79,163**	**107,309**	**149,721**	**181,267**
China	8,814	10,229	10,693	12,031	17,897	21,440	28,664	41,141	63,357	88,208
China, SAR of Hong Kong	16,554	16,440	15,587	15,610	19,931	19,250	23,230	28,214	35,843	41,250
China, SAR of Macao	13	18	9	14	28	17	21	23	25	-
China, Taiwan Province of	-	-	-	-	6,460	5,906	6,603	9,340	11,428	13,527
Mongolia	-	4	1	1	1	0	76	119	97	210
Republic of Korea	9,918	11,313	11,863	12,922	15,122	16,515	20,570	28,472	38,971	38,072
Southern Asia	**4,394**	**4,676**	**5,153**	**7,000**	**6,721**	**6,653**	**8,258**	**9,173**	**11,267**	**12,929**
Bangladesh	-	-	-	-	-	-	1	5	6	-
Bhutan	-	-	-	0	-	-	-	-	-	-
India	4,394	4,672	5,151	6,854	6,717	6,481	7,939	8,916	10,975	12,522
Iran (Islamic Republic of)	-	5	2	2	2	5	6	16	6	8
Maldives	-	-	-	-	-	-	-	-	0	0
Nepal	-	-	0	0	1	-	-	0	-	-
Pakistan	-	-	-	-	-	-	-	18	48	84
Sri Lanka	-	-	-	145	-	167	312	218	233	315
Southeastern Asia	**2,115**	**21,596**	**18,651**	**21,762**	**29,803**	**28,397**	**28,378**	**31,344**	**39,181**	**41,722**
Brunei Darussalam	-	-	-	-	-	-	3	10	-	-
Cambodia	-	-	-	-	7	13	13	12	1	-
Indonesia	2,115	1,855	1,499	1,723	3,282	3,420	3,836	3,365	3,445	3,155
Malaysia	-	9,300	8,116	8,813	11,921	11,552	10,451	10,526	12,388	13,344
Philippines	-	-	-	-	1,304	1,197	1,227	1,312	1,453	1,298
Singapore	-	10,441	9,036	8,255	9,480	8,822	8,742	11,498	16,113	18,012
Thailand	-	-	-	2,971	3,810	3,392	4,106	4,623	5,782	5,912
Western Asia	**374**	**539**	**891**	**814**	**1,061**	**1,141**	**1,761**	**2,182**	**3,160**	**3,413**
Bahrain	-	-	-	-	-	-	6	7	12	7
Jordan	-	-	12	25	27	42	34	52	92	114
Kuwait	-	-	-	-	9	10	-	-	-	-
Lebanon	-	8	9	8	7	16	18	27	37	-
Oman	-	-	-	-	67	48	59	49	40	31
Qatar	-	-	-	-	4	0	8	9	7	5
Saudi Arabia	-	-	-	12	20	24	44	34	44	64
Syrian Arab Republic	-	-	-	-	-	-	0	1	0	1
Turkey	374	530	870	769	928	1,000	1,590	2,003	2,927	3,190
Yemen	-	-	-	-	-	-	-	-	0	0
Developing economies: Oceania	**158**	**140**	**143**	**157**	**185**	**137**	**142**	**129**	**121**	**132**
Cook Islands	-	-	-	-	7	-	-	2	2	-
Fiji	-	-	-	-	1	-	1	1	1	2
French Polynesia	158	140	143	157	177	117	118	98	116	129
Kiribati	-	-	-	-	-	-	-	-	-	-
New Caledonia	-	-	-	-	-	1	1	1	2	2
Papua New Guinea	-	-	-	-	-	19	22	28	-	-
Samoa	-	-	-	-	-	0	0	0	0	-
Tuvalu	-	-	-	-	-	-	-	-	-	-
Economies in transition: Asia	**-**	**47**	**11**	**99**	**282**	**183**	**328**	**668**	**639**	**412**
Armenia	-	47	-	97	109	111	257	346	269	302
Azerbaijan	-	-	-	1	1	0	1	1	1	0
Georgia	-	-	0	2	1	15	30	21	19	35
Kazakhstan	-	-	10	-	157	47	37	53	63	74
Kyrgyzstan	-	-	-	-	13	10	3	247	288	1
Turkmenistan	-	-	-	0	1	-	-	-	-	-
Economies in transition: Europe	**1**	**406**	**2,259**	**298**	**317**	**503**	**357**	**462**	**564**	**2,196**
Albania	0	0	3	3	1	2	1	1	3	2
Belarus	-	-	61	61	87	93	77	79	103	105
Bosnia and Herzegovina	-	-	-	-	-	-	-	2	3	2
Croatia	-	18	16	15	43	43	48	66	61	67
Macedonia, TFYR	1	1	1	1	1	1	1	1	2	3
Moldova	-	-	-	-	1	2	1	2	4	2
Russian Federation	-	387	2,178	217	181	189	159	173	235	1,896
Serbia and Montenegro	-	-	-	-	2	4	6	-	10	12
Ukraine	-	-	-	-	-	169	64	138	145	108

TABLE
3.1

IMPORTS (c.i.f., in millions of $)

1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	Economic group and country/territory
37,630	**53,285**	**44,689**	**52,411**	**71,354**	**68,728**	**79,793**	**100,197**	**129,431**	**152,699**	**Developing economies: Asia**
31,441	**31,648**	**28,009**	**29,491**	**42,975**	**41,193**	**48,105**	**60,173**	**76,166**	**89,248**	**Eastern Asia**
5,457	5,404	6,948	7,813	9,577	9,641	12,551	18,830	25,005	30,629	China
21,507	22,150	18,275	18,151	23,775	23,378	26,535	30,736	38,061	43,927	China, SAR of Hong Kong
61	59	51	87	84	145	173	199	262	-	China, SAR of Macao
-	-	-	-	5,015	3,636	3,716	4,468	5,331	6,490	China, Taiwan Province of
-	12	17	9	11	9	-	20	13	22	Mongolia
4,416	4,023	2,717	3,430	4,513	4,384	5,131	5,920	7,495	8,180	Republic of Korea
3,545	**4,693**	**5,547**	**7,338**	**6,688**	**6,774**	**9,108**	**13,666**	**18,884**	**24,263**	**Southern Asia**
-	-	-	-	-	-	160	189	309	-	Bangladesh
-	-	-	2	-	-	-	-	-	-	Bhutan
3,545	4,401	5,123	6,625	6,361	6,125	8,185	11,899	16,829	21,089	India
-	281	398	267	291	386	470	703	780	1,068	Iran (Islamic Republic of)
-	11	11	15	13	11	11	15	20	27	Maldives
-	-	15	140	23	-	-	50	-	-	Nepal
-	-	-	-	-	-	-	465	523	1,607	Pakistan
-	-	-	289	-	252	282	346	424	472	Sri Lanka
1,263	**15,276**	**9,249**	**12,559**	**17,579**	**17,113**	**18,708**	**21,167**	**27,553**	**31,855**	**Southeastern Asia**
-	-	-	-	-	-	29	42	-	-	Brunei Darussalam
-	-	-	-	57	33	38	40	52	-	Cambodia
1,263	1,035	412	249	447	411	612	762	1,339	1,450	Indonesia
-	4,074	2,094	2,822	4,195	3,934	4,332	4,114	5,606	5,885	Malaysia
-	-	-	-	1,407	1,221	1,166	1,481	1,525	1,423	Philippines
-	10,167	6,743	7,490	8,706	8,134	8,522	10,406	13,984	16,181	Singapore
-	-	-	1,998	2,769	3,380	4,010	4,323	5,046	6,915	Thailand
1,381	**1,668**	**1,884**	**3,022**	**4,113**	**3,649**	**3,871**	**5,191**	**6,828**	**7,333**	**Western Asia**
-	-	-	-	-	-	84	111	98	68	Bahrain
-	-	59	64	128	192	176	224	336	449	Jordan
-	-	-	-	283	260	-	-	-	-	Kuwait
-	265	255	210	191	300	251	259	338	-	Lebanon
-	-	-	-	100	111	105	114	166	149	Oman
-	-	-	-	55	55	83	89	119	200	Qatar
-	-	-	655	765	874	1,237	1,346	1,803	2,665	Saudi Arabia
-	-	-	-	-	24	50	73	101	168	Syrian Arab Republic
1,381	1,403	1,571	2,093	2,592	1,833	1,885	2,974	3,828	3,582	Turkey
-	-	-	-	-	-	-	-	41	52	Yemen
25	**23**	**27**	**24**	**35**	**87**	**115**	**140**	**122**	**128**	**Developing economies: Oceania**
-	-	-	-	-	-	-	4	2	-	Cook Islands
-	-	-	-	-	-	21	27	34	47	Fiji
25	23	26	24	35	30	32	36	43	39	French Polynesia
-	-	-	-	-	-	-	-	-	1	Kiribati
-	-	-	-	-	32	29	38	40	42	New Caledonia
-	-	-	-	-	24	30	33	-	-	Papua New Guinea
-	-	-	-	-	2	3	3	3	-	Samoa
-	0	0	0	-	-	-	-	-	-	Tuvalu
-	**51**	**146**	**186**	**408**	**298**	**423**	**611**	**694**	**880**	**Economies in transition: Asia**
-	51	-	97	128	119	229	357	310	379	Armenia
-	-	-	35	54	26	37	38	55	88	Azerbaijan
-	-	23	11	27	17	29	26	43	67	Georgia
-	-	123	-	106	129	120	173	263	315	Kazakhstan
-	-	-	-	11	7	9	17	23	30	Kyrgyzstan
-	-	-	43	82	-	-	-	-	-	Turkmenistan
34	**1,538**	**1,077**	**888**	**1,168**	**2,014**	**2,629**	**2,832**	**4,284**	**7,079**	**Economies in transition: Europe**
17	9	8	16	16	36	33	26	35	41	Albania
-	-	96	90	125	112	146	167	184	196	Belarus
-	-	-	-	-	-	-	54	86	113	Bosnia and Herzegovina
-	238	171	164	200	279	375	469	505	601	Croatia
18	19	22	31	40	35	43	77	74	80	Macedonia, TFYR
-	-	-	-	16	11	16	22	32	51	Moldova
-	1,273	779	588	706	1,116	1,436	1,575	2,478	4,653	Russian Federation
-	-	-	-	65	98	202	-	343	260	Serbia and Montenegro
-	-	-	-	-	327	379	442	547	1,085	Ukraine

SOURCE: UNCTAD secretariat calculations based on United Nations Comtrade database data.

NOTES: (1) Developed economies, including Bulgaria and Romania.
(2) Excluding Bulgaria and Romania, which are included in the European Union (EU-27).

TABLE

3.2.A RELATED INDUSTRIES: EXPORTS, BY ORIGIN AND PRODUCT GROUP, 1996, 2000 AND 2005

Origin			Developed economies (1)							
				Europe						
Product group	Year	World	Total	Total	EU-27	Canada	United States	Japan	Other developed economies	Economies in transition (2)
		(In millions of $)								
ALL CREATIVE INDUSTRIES	1996	209,143	158,161	89,443	84,909	2,384	25,193	28,855	12,287	1
	2000	323,812	203,551	117,366	113,379	4,361	32,283	34,619	14,922	599
	2005	575,996	299,507	192,039	186,701	4,575	36,570	43,343	22,981	2,608
AUDIOVISUALS	1996	118,598	82,033	43,817	43,207	1,461	16,815	19,076	864	1
	2000	208,058	119,300	69,322	68,484	3,050	20,615	25,025	1,289	190
	2005	418,137	191,232	131,026	129,299	3,523	21,126	34,061	1,497	404
E-BROADCASTING	1996	84,790	59,265	34,302	33,810	1,235	11,588	11,344	796	1
	2000	164,885	98,171	59,999	59,275	2,765	15,733	18,462	1,213	171
	2005	347,720	165,661	116,483	114,891	3,163	15,737	28,912	1,367	353
FILM	1996	824	780	424	414	28	251	62	14	0
	2000	1,080	781	377	365	56	262	71	15	1
	2005	1,209	878	458	451	50	266	85	20	2
SOUND PRODUCTION	1996	32,984	21,988	9,091	8,983	198	4,976	7,670	53	0
	2000	42,093	20,349	8,947	8,843	229	4,620	6,492	61	19
	2005	69,208	24,693	14,085	13,957	310	5,123	5,065	110	49
DESIGN	1996	47,876	39,399	23,612	21,009	206	3,244	1,471	10,865	0
	2000	64,471	46,911	26,365	24,488	426	5,318	1,786	13,015	331
	2005	103,886	67,402	33,678	31,640	667	10,020	1,991	21,046	2,150
GRAPHIC	1996	429	385	168	151	9	163	45	0	-
	2000	495	417	133	128	11	231	41	1	1
	2005	576	483	118	116	6	347	12	0	1
FASHION	1996	2,684	2,078	1,638	1,604	15	123	288	14	0
	2000	2,674	1,931	1,434	1,403	32	125	328	12	1
	2005	3,638	2,325	1,963	1,916	57	134	163	8	3
GLASSWARE	1996	611	515	452	451	5	32	18	7	0
	2000	908	670	585	583	9	31	38	8	26
	2005	2,149	1,566	1,455	1,453	15	45	41	10	4
INTERIOR	1996	915	828	578	543	66	135	16	33	0
	2000	865	691	466	450	51	124	16	33	26
	2005	1,239	991	744	736	47	155	15	29	38
JEWELLERY	1996	43,123	35,480	20,670	18,186	110	2,788	1,102	10,810	0
	2000	59,429	43,107	23,658	21,855	321	4,803	1,363	12,962	276
	2005	96,191	61,955	29,319	27,353	541	9,335	1,759	21,000	2,104
OTHER	1996	113	112	106	74	1	3	2	0	0
	2000	100	95	88	69	1	5	1	0	0
	2005	91	83	79	67	1	3	0	0	1
MUSIC (CDs, tapes)	1996	3,837	2,523	1,083	1,047	38	473	916	13	0
	2000	4,228	2,377	1,031	1,001	51	432	851	12	3
	2005	4,969	2,879	1,524	1,493	76	611	658	11	3
INSTRUMENT	1996	3,278	2,378	1,000	964	38	466	866	9	0
	2000	3,800	2,271	944	915	51	416	850	9	3
	2005	4,824	2,792	1,447	1,417	75	602	657	11	3
OTHER	1996	42	40	34	34	0	3	-	3	-
	2000	68	50	40	40	0	7	0	2	0
	2005	55	24	18	18	0	5	0	0	0
PUBLISHING	1996	16,503	15,797	11,586	10,556	400	1,679	1,929	203	0
	2000	20,493	17,578	12,233	11,186	570	2,271	2,180	324	60
	2005	24,118	20,810	16,098	14,694	231	1,768	2,398	316	23
BOOKS	1996	32	29	24	23	0	2	2	0	0
	2000	61	33	29	29	0	3	1	0	0
	2005	68	51	45	45	1	3	2	0	0
OTHER	1996	16,471	15,769	11,562	10,533	400	1,677	1,927	203	0
	2000	20,432	17,544	12,204	11,158	569	2,268	2,179	323	60
	2005	24,050	20,759	16,052	14,649	230	1,765	2,396	316	23
VISUAL ARTS	1996	22,330	18,409	9,344	9,090	279	2,980	5,463	342	0
	2000	26,562	17,386	8,415	8,219	265	3,647	4,777	282	14
	2005	24,886	17,183	9,713	9,574	79	3,046	4,235	111	28
PAINTING	1996	1,152	848	640	626	10	102	85	12	0
	2000	1,306	720	493	480	16	123	79	9	6
	2005	1,976	1,074	839	823	20	146	56	12	9
PHOTOGRAPHY	1996	21,178	17,560	8,704	8,465	269	2,879	5,378	330	0
	2000	25,255	16,666	7,922	7,740	248	3,524	4,697	274	9
	2005	22,910	16,109	8,874	8,751	59	2,899	4,179	99	19

TABLE
3.2.A

Developing economies (1)											Origin
			Asia								
Total	Africa	America	Total	Eastern, Southern and Southeastern Asia	China	Western Asia	Oceania	LDCs	SIDS	Year	Product group
(In millions of $)											
50,981	**30**	**8,612**	**42,181**	**41,808**	**8,814**	**374**	**158**	**30**	**-**	**1996**	**ALL CREATIVE INDUSTRIES**
119,662	**2,458**	**19,996**	**97,023**	**95,962**	**17,897**	**1,061**	**185**	**375**	**66**	**2000**	
273,881	**7,794**	**26,622**	**239,332**	**235,918**	**88,208**	**3,413**	**132**	**299**	**368**	**2005**	
36,564	**2**	**7,787**	**28,772**	**28,434**	**6,784**	**338**	**3**	**1**	**-**	**1996**	**AUDIOVISUALS**
88,568	**234**	**17,454**	**70,879**	**69,897**	**14,223**	**982**	**1**	**4**	**13**	**2000**	
226,500	**651**	**24,530**	**201,317**	**198,040**	**82,105**	**3,277**	**2**	**15**	**305**	**2005**	
25,525	1	6,590	18,931	18,686	4,662	246	2	1	-	1996	E-BROADCASTING
66,544	206	15,194	51,143	50,184	9,868	959	1	3	10	2000	
181,706	588	22,717	158,398	155,218	61,316	3,181	2	12	302	2005	
43	0	11	32	32	9	0	0	0	-	1996	FILM
299	3	12	284	279	30	5	0	1	1	2000	
329	2	38	288	287	82	1	0	1	0	2005	
10,996	1	1,187	9,808	9,715	2,113	93	0	0	-	1996	SOUND PRODUCTION
21,726	26	2,248	19,452	19,434	4,324	18	0	1	3	2000	
44,466	61	1,774	42,630	42,535	20,707	94	0	2	3	2005	
8,477	**28**	**342**	**7,952**	**7,940**	**630**	**11**	**155**	**28**	**-**	**1996**	**DESIGN**
17,230	**2,162**	**814**	**14,071**	**14,047**	**1,084**	**24**	**183**	**368**	**43**	**2000**	
34,334	**7,047**	**836**	**26,322**	**26,257**	**2,683**	**65**	**129**	**282**	**55**	**2005**	
44	0	3	41	41	13	1	0	0	-	1996	GRAPHIC
78	0	4	73	73	28	0	0	0	0	2000	
92	0	4	88	87	58	1	0	0	0	2005	
605	0	15	590	588	87	2	0	0	-	1996	FASHION
742	3	16	723	721	163	2	0	0	2	2000	
1,311	6	12	1,293	1,288	347	5	0	0	1	2005	
97	0	4	93	89	40	4	-	0	-	1996	GLASSWARE
212	0	10	201	196	79	5	0	0	0	2000	
580	2	9	569	561	315	8	0	0	0	2005	
87	0	16	72	69	9	2	-	0	-	1996	INTERIOR
148	4	10	134	126	16	8	0	0	0	2000	
211	1	5	204	175	90	30	0	0	0	2005	
7,643	28	305	7,155	7,153	481	3	155	28	-	1996	JEWELLERY
16,046	2,155	775	12,934	12,926	794	8	183	367	41	2000	
32,133	7,038	806	24,161	24,139	1,867	21	129	282	54	2005	
1	-	0	1	1	0	0	-	-	-	1996	OTHER
5	0	0	5	5	4	0	-	0	-	2000	
8	0	0	7	7	6	1	0	-	0	2005	
1,313	**0**	**81**	**1,232**	**1,231**	**329**	**1**	**0**	**0**	**-**	**1996**	**MUSIC (CDs, tapes)**
1,848	**7**	**117**	**1,723**	**1,720**	**473**	**3**	**1**	**1**	**3**	**2000**	
2,088	**3**	**97**	**1,987**	**1,981**	**932**	**6**	**0**	**1**	**2**	**2005**	
900	0	79	821	820	233	1	0	0	-	1996	INSTRUMENT
1,526	2	103	1,421	1,418	391	2	0	1	3	2000	
2,029	3	72	1,955	1,949	924	6	0	1	2	2005	
2	-	0	1	1	0	0	-	-	-	1996	OTHER
19	3	14	2	2	0	0	1	0	1	2000	
31	0	25	6	6	0	0	0	0	0	2005	
706	**0**	**57**	**648**	**630**	**59**	**18**	**0**	**0**	**-**	**1996**	**PUBLISHING**
2,855	**40**	**581**	**2,234**	**2,206**	**80**	**28**	**0**	**1**	**4**	**2000**	
3,284	**45**	**173**	**3,065**	**3,022**	**466**	**44**	**0**	**0**	**3**	**2005**	
3	-	0	3	3	1	0	-	-	-	1996	BOOKS
27	0	0	27	27	2	0	0	-	0	2000	
17	0	0	17	17	6	0	-	0	0	2005	
703	0	57	645	628	58	18	0	0	-	1996	OTHER
2,828	40	581	2,207	2,179	79	28	0	1	4	2000	
3,268	45	173	3,049	3,005	460	43	0	0	3	2005	
3,921	**0**	**344**	**3,577**	**3,572**	**1,012**	**5**	**0**	**0**	**-**	**1996**	**VISUAL ARTS**
9,161	**15**	**1,030**	**8,116**	**8,092**	**2,036**	**24**	**0**	**2**	**3**	**2000**	
7,675	**48**	**986**	**6,641**	**6,619**	**2,022**	**22**	**0**	**0**	**4**	**2005**	
303	0	11	292	290	142	3	0	0	-	1996	PAINTING
581	4	67	510	506	212	4	0	0	1	2000	
893	9	128	756	749	471	7	0	0	3	2005	
3,618	0	333	3,285	3,283	870	3	0	0	-	1996	PHOTOGRAPHY
8,581	11	964	7,606	7,586	1,824	20	0	1	2	2000	
6,782	39	858	5,884	5,869	1,550	15	0	0	1	2005	

SOURCE: UNCTAD secretariat calculations based on United Nations Comtrade database data.

NOTES: (1) Developed economies, including Bulgaria and Romania.
(2) Excluding Bulgaria and Romania, which are included in the European Union (EU-27).

TABLE

3.2.B RELATED INDUSTRIES: IMPORTS, BY ORIGIN AND PRODUCT GROUP, 1996, 2000 AND 2005

Origin			Developed economies (1)							
				Europe						
Product group	Year	World	Total	Total	EU-27	Canada	United States	Japan	Other developed economies	Economies in transition (2)
		(In millions of $)								
ALL CREATIVE INDUSTRIES	1996	209,143	158,161	89,443	84,909	2,384	25,193	28,855	12,287	1
	2000	323,812	203,551	117,366	113,379	4,361	32,283	34,619	14,922	599
	2005	575,996	299,507	192,039	186,701	4,575	36,570	43,343	22,981	2,608
AUDIOVISUALS	1996	118,598	82,033	43,817	43,207	1,461	16,815	19,076	864	1
	2000	208,058	119,300	69,322	68,484	3,050	20,615	25,025	1,289	190
	2005	418,137	191,232	131,026	129,299	3,523	21,126	34,061	1,497	404
E-BROADCASTING	1996	84,790	59,265	34,302	33,810	1,235	11,588	11,344	796	1
	2000	164,885	98,171	59,999	59,275	2,765	15,733	18,462	1,213	171
	2005	347,720	165,661	116,483	114,891	3,163	15,737	28,912	1,367	353
FILM	1996	824	780	424	414	28	251	62	14	0
	2000	1,080	781	377	365	56	262	71	15	1
	2005	1,209	878	458	451	50	266	85	20	2
SOUND PRODUCTION	1996	32,984	21,988	9,091	8,983	198	4,976	7,670	53	0
	2000	42,093	20,349	8,947	8,843	229	4,620	6,492	61	19
	2005	69,208	24,693	14,085	13,957	310	5,123	5,065	110	49
DESIGN	1996	47,876	39,399	23,612	21,009	206	3,244	1,471	10,865	0
	2000	64,471	46,911	26,365	24,488	426	5,318	1,786	13,015	331
	2005	103,886	67,402	33,678	31,640	667	10,020	1,991	21,046	2,150
GRAPHIC	1996	429	385	168	151	9	163	45	0	-
	2000	495	417	133	128	11	231	41	1	1
	2005	576	483	118	116	6	347	12	0	1
FASHION	1996	2,684	2,078	1,638	1,604	15	123	288	14	0
	2000	2,674	1,931	1,434	1,403	32	125	328	12	1
	2005	3,638	2,325	1,963	1,916	57	134	163	8	3
GLASSWARE	1996	611	515	452	451	5	32	18	7	0
	2000	908	670	585	583	9	31	38	8	26
	2005	2,149	1,566	1,455	1,453	15	45	41	10	4
INTERIOR	1996	915	828	578	543	66	135	16	33	0
	2000	865	691	466	450	51	124	16	33	26
	2005	1,239	991	744	736	47	155	15	29	38
JEWELLERY	1996	43,123	35,480	20,670	18,186	110	2,788	1,102	10,810	0
	2000	59,429	43,107	23,658	21,855	321	4,803	1,363	12,962	276
	2005	96,191	61,955	29,319	27,353	541	9,335	1,759	21,000	2,104
OTHER	1996	113	112	106	74	1	3	2	0	0
	2000	100	95	88	69	1	5	1	0	0
	2005	91	83	79	67	1	3	0	0	1
MUSIC (CDs, tapes)	1996	3,837	2,523	1,083	1,047	38	473	916	13	0
	2000	4,228	2,377	1,031	1,001	51	432	851	12	3
	2005	4,969	2,879	1,524	1,493	76	611	658	11	3
INSTRUMENT	1996	3,278	2,378	1,000	964	38	466	866	9	0
	2000	3,800	2,271	944	915	51	416	850	9	3
	2005	4,824	2,792	1,447	1,417	75	602	657	11	3
OTHER	1996	42	40	34	34	0	3	-	3	-
	2000	68	50	40	40	0	7	0	2	0
	2005	55	24	18	18	0	5	0	0	0
PUBLISHING	1996	16,503	15,797	11,586	10,556	400	1,679	1,929	203	0
	2000	20,493	17,578	12,233	11,186	570	2,271	2,180	324	60
	2005	24,118	20,810	16,098	14,694	231	1,768	2,398	316	23
BOOKS	1996	32	29	24	23	0	2	2	0	0
	2000	61	33	29	29	0	3	1	0	0
	2005	68	51	45	45	1	3	2	0	0
OTHER	1996	16,471	15,769	11,562	10,533	400	1,677	1,927	203	0
	2000	20,432	17,544	12,204	11,158	569	2,268	2,179	323	60
	2005	24,050	20,759	16,052	14,649	230	1,765	2,396	316	23
VISUAL ARTS	1996	22,330	18,409	9,344	9,090	279	2,980	5,463	342	0
	2000	26,562	17,386	8,415	8,219	265	3,647	4,777	282	14
	2005	24,886	17,183	9,713	9,574	79	3,046	4,235	111	28
PAINTING	1996	1,152	848	640	626	10	102	85	12	0
	2000	1,306	720	493	480	16	123	79	9	6
	2005	1,976	1,074	839	823	20	146	56	12	9
PHOTOGRAPHY	1996	21,178	17,560	8,704	8,465	269	2,879	5,378	330	0
	2000	25,255	16,666	7,922	7,740	248	3,524	4,697	274	9
	2005	22,910	16,109	8,874	8,751	59	2,899	4,179	99	19

TABLE
3.2.B

Developing economies (1)											Origin
			Asia								
Total	Africa	America	Total	Eastern, Southern and Southeastern Asia	China	Western Asia	Oceania	LDCs	SISS	Year	Product group
					(In millions of $)						
50,981	30	8,612	42,181	41,808	8,814	374	158	30	-	1996	ALL CREATIVE INDUSTRIES
119,662	2,458	19,996	97,023	95,962	17,897	1,061	185	375	66	2000	
273,881	7,794	26,622	239,332	235,918	88,208	3,413	132	299	368	2005	
36,564	2	7,787	28,772	28,434	6,784	338	3	1	-	1996	AUDIOVISUALS
88,568	234	17,454	70,879	69,897	14,223	982	1	4	13	2000	
226,500	651	24,530	201,317	198,040	82,105	3,277	2	15	305	2005	
25,525	1	6,590	18,931	18,686	4,662	246	2	1	-	1996	E-BROADCASTING
66,544	206	15,194	51,143	50,184	9,868	959	1	3	10	2000	
181,706	588	22,717	158,398	155,218	61,316	3,181	2	12	302	2005	
43	0	11	32	32	9	0	0	0	-	1996	FILM
299	3	12	284	279	30	5	0	1	1	2000	
329	2	38	288	287	82	1	0	1	0	2005	
10,996	1	1,187	9,808	9,715	2,113	93	0	0	-	1996	SOUND PRODUCTION
21,726	26	2,248	19,452	19,434	4,324	18	0	1	3	2000	
44,466	61	1,774	42,630	42,535	20,707	94	0	2	3	2005	
8,477	28	342	7,952	7,940	630	11	155	28	-	1996	DESIGN
17,230	2,162	814	14,071	14,047	1,084	24	183	368	43	2000	
34,334	7,047	836	26,322	26,257	2,683	65	129	282	55	2005	
44	0	3	41	41	13	1	0	0	-	1996	GRAPHIC
78	0	4	73	73	28	0	0	0	0	2000	
92	0	4	88	87	58	1	0	0	0	2005	
605	0	15	590	588	87	2	0	0	-	1996	FASHION
742	3	16	723	721	163	2	0	0	2	2000	
1,311	6	12	1,293	1,288	347	5	0	0	1	2005	
97	0	4	93	89	40	4	-	0	-	1996	GLASSWARE
212	0	10	201	196	79	5	0	0	0	2000	
580	2	9	569	561	315	8	0	0	0	2005	
87	0	16	72	69	9	2	-	0	-	1996	INTERIOR
148	4	10	134	126	16	8	0	0	0	2000	
211	1	5	204	175	90	30	0	0	0	2005	
7,643	28	305	7,155	7,153	481	3	155	28	-	1996	JEWELLERY
16,046	2,155	775	12,934	12,926	794	8	183	367	41	2000	
32,133	7,038	806	24,161	24,139	1,867	21	129	282	54	2005	
1	-	0	1	1	0	0	-	-	-	1996	OTHER
5	0	0	5	5	4	0	-	0	-	2000	
8	0	0	7	7	6	1	0	-	0	2005	
1,313	0	81	1,232	1,231	329	1	0	0	-	1996	MUSIC (CDs, tapes)
1,848	7	117	1,723	1,720	473	3	1	1	3	2000	
2,088	3	97	1,987	1,981	932	6	0	1	2	2005	
900	0	79	821	820	233	1	0	0	-	1996	INSTRUMENT
1,526	2	103	1,421	1,418	391	2	0	1	3	2000	
2,029	3	72	1,955	1,949	924	6	0	1	2	2005	
2	-	0	1	1	0	0	-	-	-	1996	OTHER
19	3	14	2	2	0	0	1	0	1	2000	
31	0	25	6	6	0	0	0	0	0	2005	
706	0	57	648	630	59	18	0	0	-	1996	PUBLISHING
2,855	40	581	2,234	2,206	80	28	0	1	4	2000	
3,284	45	173	3,065	3,022	466	44	0	0	3	2005	
3	-	0	3	3	1	0	-	-	-	1996	BOOKS
27	0	0	27	27	2	0	0	-	0	2000	
17	0	0	17	17	6	0	-	0	0	2005	
703	0	57	645	628	58	18	0	0	-	1996	OTHER
2,828	40	581	2,207	2,179	79	28	0	1	4	2000	
3,268	45	173	3,049	3,005	460	43	0	0	3	2005	
3,921	0	344	3,577	3,572	1,012	5	0	0	-	1996	VISUAL ARTS
9,161	15	1,030	8,116	8,092	2,036	24	0	2	3	2000	
7,675	48	986	6,641	6,619	2,022	22	0	0	4	2005	
303	0	11	292	290	142	3	0	0	-	1996	PAINTING
581	4	67	510	506	212	4	0	0	1	2000	
893	9	128	756	749	471	7	0	0	3	2005	
3,618	0	333	3,285	3,283	870	3	0	0	-	1996	PHOTOGRAPHY
8,581	11	964	7,606	7,586	1,824	20	0	1	2	2000	
6,782	39	858	5,884	5,869	1,550	15	0	0	1	2005	

SOURCE: UNCTAD secretariat calculations based on United Nations Comtrade database data.

NOTES: (1) Developed economies, including Bulgaria and Romania.
(2) Excluding Bulgaria and Romania, which are included in the European Union (EU-27).

TABLE

3.3.1.A RELATED INDUSTRIES: TOTAL WORLD EXPORTS, BY PRODUCT GROUP, 1996, 2000 AND 2005

Product group	1996 Value (in millions of $)	1996 As % of total world exports of all related-industry goods	1996 As % of total world exports of the related industry	2000 Value (in millions of $)	2000 As % of total world exports of all related-industry goods	2000 As % of total world exports of the related industry	2005 Value (in millions of $)	2005 As % of total world exports of all related-industry goods	2005 As % of total world exports of the related industry	Growth rate (%) 1996-2005	Growth rate (%) 2000-2005
ALL CREATIVE INDUSTRIES	209,143	100.00	100.00	323,812	100.00	100.00	575,996	100.00	100.00	10.8	13.6
AUDIOVISUALS	118,598	56.71	100.00	208,058	64.25	100.00	418,137	72.59	100.00	13.9	16.3
E-BROADCASTING	84,790	40.54	100.00	164,885	50.92	100.00	347,720	60.37	100.00	15.9	17.5
FILM	824	0.39	100.00	1,080	0.33	100.00	1,209	0.21	100.00	4.0	3.1
SOUND PRODUCTION	32,984	15.77	100.00	42,093	13.00	100.00	69,208	12.02	100.00	7.3	11.3
DESIGN	47,876	22.89	100.00	64,471	19.91	100.00	103,886	18.04	100.00	7.6	12.2
GRAPHIC	429	0.21	100.00	495	0.15	100.00	576	0.10	100.00	1.6	3.4
FASHION	2,684	1.28	100.00	2,674	0.83	100.00	3,638	0.63	100.00	2.8	7.9
GLASSWARE	611	0.29	100.00	908	0.28	100.00	2,149	0.37	100.00	16.7	19.1
INTERIOR	915	0.44	100.00	865	0.27	100.00	1,239	0.22	100.00	1.7	7.6
JEWELLERY	43,123	20.62	100.00	59,429	18.35	100.00	96,191	16.70	100.00	7.9	12.4
OTHER	113	0.05	100.00	100	0.03	100.00	91	0.02	100.00	-1.7	0.1
MUSIC (CDs, tapes)	3,837	1.83	100.00	4,228	1.31	100.00	4,969	0.86	100.00	2.3	4.4
INSTRUMENT	3,278	1.57	100.00	3,800	1.17	100.00	4,824	0.84	100.00	4.0	6.0
OTHER	42	0.02	100.00	68	0.02	100.00	55	0.01	100.00	0.2	-1.8
PUBLISHING	16,503	7.89	100.00	20,493	6.33	100.00	24,118	4.19	100.00	2.8	3.3
BOOKS	32	0.02	100.00	61	0.02	100.00	68	0.01	100.00	8.9	2.3
OTHER	16,471	7.88	100.00	20,432	6.31	100.00	24,050	4.18	100.00	2.8	3.3
VISUAL ARTS	22,330	10.68	100.00	26,562	8.20	100.00	24,886	4.32	100.00	1.0	0.3
PAINTINGS	1,152	0.55	100.00	1,306	0.40	100.00	1,976	0.34	100.00	6.0	9.9
PHOTOGRAPHY	21,178	10.13	100.00	25,255	7.80	100.00	22,910	3.98	100.00	0.7	-0.3

SOURCE: UNCTAD secretariat calculations based on United Nations Comtrade database data.

TABLE

3.3.1.B RELATED INDUSTRIES: TOTAL WORLD IMPORTS, BY PRODUCT GROUP, 1996, 2000 AND 2005

Product group	1996 Value (in millions of $)	1996 As % of total world imports of all related-industry goods	1996 As % of total world imports of the related industry	2000 Value (in millions of $)	2000 As % of total world imports of all related-industry goods	2000 As % of total world imports of the related industry	2005 Value (in millions of $)	2005 As % of total world imports of all related-industry goods	2005 As % of total world imports of the related industry	Growth rate (%) 1996-2005	Growth rate (%) 2000-2005
ALL CREATIVE INDUSTRIES	206,946	100.00	100.00	325,269	100.00	100.00	562,546	100.00	100.00	10.8	13.1
AUDIOVISUALS	115,778	55.95	100.00	202,368	62.22	100.00	401,492	71.37	100.00	13.9	16.1
E-BROADCASTING	81,151	39.21	100.00	159,166	48.93	100.00	328,837	58.46	100.00	15.8	17.1
FILM	745	0.36	100.00	1,043	0.32	100.00	1,308	0.23	100.00	6.5	7.5
SOUND PRODUCTION	33,882	16.37	100.00	42,159	12.96	100.00	71,346	12.68	100.00	7.8	12.2
DESIGN	50,541	24.42	100.00	71,094	21.86	100.00	107,581	19.12	100.00	7.8	11.2
GRAPHIC	605	0.29	100.00	503	0.15	100.00	468	0.08	100.00	-4.4	0.5
FASHION	2,613	1.26	100.00	2,989	0.92	100.00	3,691	0.66	100.00	3.3	5.7
GLASSWARE	563	0.27	100.00	872	0.27	100.00	2,224	0.40	100.00	17.5	20.7
INTERIOR	906	0.44	100.00	757	0.23	100.00	874	0.16	100.00	-1.4	3.0
JEWELLERY	45,770	22.12	100.00	65,873	20.25	100.00	100,233	17.82	100.00	8.2	11.5
OTHER	83	0.04	100.00	100	0.03	100.00	91	0.02	100.00	1.0	-1.0
MUSIC (CDs, tapes)	4,004	1.93	100.00	4,509	1.39	100.00	5,381	0.96	100.00	2.6	4.5
INSTRUMENT	3,380	1.63	100.00	4,028	1.24	100.00	5,202	0.92	100.00	4.2	6.2
OTHER	42	0.02	100.00	70	0.02	100.00	41	0.01	100.00	-2.3	-7.6
PUBLISHING	14,406	6.96	100.00	20,187	6.21	100.00	24,174	4.30	100.00	4.2	3.6
BOOKS	37	0.02	100.00	46	0.01	100.00	57	0.01	100.00	3.6	4.7
OTHER	14,369	6.94	100.00	20,142	6.19	100.00	24,117	4.29	100.00	4.2	3.6
VISUAL ARTS	22,216	10.74	100.00	27,110	8.33	100.00	23,919	4.25	100.00	0.5	-1.2
PAINTINGS	1,135	0.55	100.00	1,545	0.48	100.00	2,151	0.38	100.00	6.1	7.7
PHOTOGRAPHY	21,081	10.19	100.00	25,565	7.86	100.00	21,769	3.87	100.00	0.1	-1.9

SOURCE: UNCTAD secretariat calculations based on United Nations Comtrade database data.

TABLE 3.3.2.A

RELATED INDUSTRIES: EXPORTS OF DEVELOPED ECONOMIES, BY PRODUCT GROUP, 1996, 2000 AND 2005

Product group	1996 Value (in millions of $)	1996 As % of total exports of related industries by developed economies	1996 As % of total world exports of the related industry	2000 Value (in millions of $)	2000 As % of total exports of related industries by developed economies	2000 As % of total world exports of the related industry	2005 Value (in millions of $)	2005 As % of total exports of related industries by developed economies	2005 As % of total world exports of the related industry	Growth rate (%) 1996-2005	Growth rate (%) 2000-2005
ALL CREATIVE INDUSTRIES	158,161	100.00	75.62	203,551	100.00	62.86	299,507	100.00	52.00	6.5	9.2
AUDIOVISUALS	82,033	51.87	69.17	119,300	58.61	57.34	191,232	63.85	45.73	8.7	10.9
E-BROADCASTING	59,265	37.47	69.90	98,171	48.23	59.54	165,661	55.31	47.64	11.0	12.1
FILM	780	0.49	94.72	781	0.38	72.28	878	0.29	72.65	0.9	3.4
SOUND PRODUCTION	21,988	13.90	66.66	20,349	10.00	48.34	24,693	8.24	35.68	-0.2	4.4
DESIGN	39,399	24.91	82.29	46,911	23.05	72.76	67,402	22.50	64.88	5.9	9.4
GRAPHIC	385	0.24	89.68	417	0.21	84.24	483	0.16	83.88	0.4	2.8
FASHION	2,078	1.31	77.44	1,931	0.95	72.21	2,325	0.78	63.90	0.5	5.5
GLASSWARE	515	0.33	84.20	670	0.33	73.79	1,566	0.52	72.85	15.3	18.4
INTERIOR	828	0.52	90.47	691	0.34	79.86	991	0.33	79.95	0.3	7.5
JEWELLERY	35,480	22.43	82.28	43,107	21.18	72.54	61,955	20.69	64.41	6.2	9.5
OTHER	112	0.07	99.12	95	0.05	94.63	83	0.03	90.67	-2.6	-0.7
MUSIC (CDs, tapes)	2,523	1.60	65.77	2,377	1.17	56.22	2,879	0.96	57.94	0.5	5.1
INSTRUMENT	2,378	1.50	72.55	2,271	1.12	59.76	2,792	0.93	57.88	0.8	5.4
OTHER	40	0.03	96.04	50	0.02	72.74	24	0.01	43.59	-6.8	-11.9
PUBLISHING	15,797	9.99	95.72	17,578	8.64	85.78	20,810	6.95	86.29	1.4	3.4
BOOKS	29	0.02	90.42	33	0.02	54.98	51	0.02	75.28	7.6	8.8
OTHER	15,769	9.97	95.73	17,544	8.62	85.87	20,759	6.93	86.32	1.4	3.4
VISUAL ARTS	18,409	11.64	82.44	17,386	8.54	65.45	17,183	5.74	69.05	-0.9	1.5
PAINTING	848	0.54	73.66	720	0.35	55.10	1,074	0.36	54.34	3.1	10.0
PHOTOGRAPHY	17,560	11.10	82.92	16,666	8.19	65.99	16,109	5.38	70.32	-1.1	1.1

SOURCE: UNCTAD secretariat calculations based on United Nations Comtrade database data.

NOTES: (1) Developed economies, including Bulgaria and Romania.
(2) Excluding Bulgaria and Romania, which are included in the European Union (EU-27).

TABLE 3.3.2.B

RELATED INDUSTRIES: IMPORTS OF DEVELOPED ECONOMIES, BY PRODUCT GROUP, 1996, 2000 AND 2005

Product group	1996 Value (in millions of $)	1996 As % of total imports of related industries by developed economies	1996 As % of total world imports of the related industry	2000 Value (in millions of $)	2000 As % of total imports of related industries by developed economies	2000 As % of total world imports of the related industry	2005 Value (in millions of $)	2005 As % of total imports of related industries by developed economies	2005 As % of total world imports of the related industry	Growth rate (%) 1996-2005	Growth rate (%) 2000-2005
ALL CREATIVE INDUSTRIES	163,498	100.00	79.01	231,837	100.00	71.28	367,778	100.00	65.38	8.9	11.1
AUDIOVISUALS	89,497	54.74	77.30	143,116	61.73	70.72	265,763	72.26	66.19	12.6	14.4
E-BROADCASTING	61,259	37.47	75.49	111,306	48.01	69.93	216,636	58.90	65.88	14.7	15.5
FILM	640	0.39	85.98	674	0.29	64.61	829	0.23	63.38	1.9	5.1
SOUND PRODUCTION	27,598	16.88	81.45	31,136	13.43	73.85	48,298	13.13	67.70	6.3	10.4
DESIGN	41,547	25.41	82.20	54,073	23.32	76.06	67,285	18.30	62.54	4.8	7.1
GRAPHIC	530	0.32	87.52	326	0.14	64.88	250	0.07	53.47	-10.9	-2.0
FASHION	2,241	1.37	85.75	2,434	1.05	81.43	2,928	0.80	79.33	2.7	5.1
GLASSWARE	321	0.20	56.91	470	0.20	53.94	992	0.27	44.61	14.3	16.5
INTERIOR	791	0.48	87.31	534	0.23	70.61	527	0.14	60.32	-5.4	0.0
JEWELLERY	37,601	23.00	82.15	50,241	21.67	76.27	62,533	17.00	62.39	5.1	7.2
OTHER	63	0.04	76.22	67	0.03	67.09	54	0.01	59.49	-1.7	-3.2
MUSIC (CDs, tapes)	3,373	2.06	84.25	3,602	1.55	79.89	4,440	1.21	82.53	2.4	5.3
INSTRUMENT	2,960	1.81	87.57	3,305	1.43	82.05	4,308	1.17	82.80	3.6	6.4
OTHER	39	0.02	93.18	63	0.03	89.51	33	0.01	81.10	-3.6	-9.1
PUBLISHING	11,546	7.06	80.15	13,482	5.82	66.79	15,618	4.25	64.61	1.4	2.6
BOOKS	28	0.02	74.81	26	0.01	58.12	36	0.01	63.00	3.2	6.8
OTHER	11,518	7.05	80.16	13,456	5.80	66.81	15,583	4.24	64.61	1.4	2.6
VISUAL ARTS	17,534	10.72	78.93	17,563	7.58	64.78	14,671	3.99	61.34	-2.1	-2.2
PAINTING	968	0.59	85.26	1,194	0.52	77.29	1,689	0.46	78.52	5.6	8.1
PHOTOGRAPHY	16,566	10.13	78.58	16,369	7.06	64.03	12,983	3.53	59.64	-2.8	-3.1

SOURCE: UNCTAD secretariat calculations based on United Nations Comtrade database data.

NOTES: (1) Developed economies, including Bulgaria and Romania.
(2) Excluding Bulgaria and Romania, which are included in the European Union (EU-27).

TABLE 3.3.3.A RELATED INDUSTRIES: EXPORTS OF DEVELOPING ECONOMIES, BY PRODUCT GROUP, 1996, 2000 AND 2005

Product group	1996 Value (in millions of $)	1996 As % of total exports of related industries by developing economies	1996 As % of total world exports of the related industry	2000 Value (in millions of $)	2000 As % of total exports of related industries by developing economies	2000 As % of total world exports of the related industry	2005 Value (in millions of $)	2005 As % of total exports of related industries by developing economies	2005 As % of total world exports of the related industry	Growth rate (%) 1996-2005	Growth rate (%) 2000-2005
ALL CREATIVE INDUSTRIES	50,981	100.00	24.38	119,662	100.00	36.95	273,881	100.00	47.55	18.4	19.7
AUDIOVISUALS	36,564	71.72	30.83	88,568	74.02	42.57	226,500	82.70	54.17	21.1	22.3
E-BROADCASTING	25,525	50.07	30.10	66,544	55.61	40.36	181,706	66.34	52.26	23.0	24.1
FILM	43	0.09	5.28	299	0.25	27.65	329	0.12	27.18	20.1	1.4
SOUND PRODUCTION	10,996	21.57	33.34	21,726	18.16	51.61	44,466	16.24	64.25	15.2	16.6
DESIGN	8,477	16.63	17.71	17,230	14.40	26.73	34,334	12.54	33.05	12.3	17.7
GRAPHIC	44	0.09	10.32	78	0.06	15.65	92	0.03	15.96	9.1	5.9
FASHION	605	1.19	22.56	742	0.62	27.74	1,311	0.48	36.02	8.9	13.1
GLASSWARE	97	0.19	15.80	212	0.18	23.30	580	0.21	26.97	22.3	23.0
INTERIOR	87	0.17	9.51	148	0.12	17.11	211	0.08	17.02	8.2	8.3
JEWELLERY	7,643	14.99	17.72	16,046	13.41	27.00	32,133	11.73	33.41	12.4	18.0
OTHER	1	0.00	0.81	5	0.00	5.13	8	0.00	8.55	26.8	11.9
MUSIC (CDs, tapes)	1,313	2.58	34.23	1,848	1.54	43.70	2,088	0.76	42.01	5.1	3.3
INSTRUMENT	900	1.76	27.45	1,526	1.28	40.16	2,029	0.74	42.07	10.3	6.9
OTHER	2	0.00	3.96	19	0.02	27.24	31	0.01	56.31	20.4	13.5
PUBLISHING	706	1.38	4.28	2,855	2.39	13.93	3,284	1.20	13.62	16.8	3.1
BOOKS	3	0.01	9.54	27	0.02	44.97	17	0.01	24.66	16.0	-9.7
OTHER	703	1.38	4.27	2,828	2.36	13.84	3,268	1.19	13.59	16.8	3.2
VISUAL ARTS	3,921	7.69	17.56	9,161	7.66	34.49	7,675	2.80	30.84	6.5	-2.3
PAINTING	303	0.59	26.32	581	0.49	44.45	893	0.33	45.19	10.9	9.8
PHOTOGRAPHY	3,618	7.10	17.08	8,581	7.17	33.98	6,782	2.48	29.60	6.0	-3.3

SOURCE: UNCTAD secretariat calculations based on United Nations Comtrade database data.

TABLE 3.3.3.B RELATED INDUSTRIES: IMPORTS OF DEVELOPING ECONOMIES, BY PRODUCT GROUP, 1996, 2000 AND 2005

Product group	1996 Value (in millions of $)	1996 As % of total imports of related industries by developing economies	1996 As % of total world imports of the related industry	2000 Value (in millions of $)	2000 As % of total imports of related industries by developing economies	2000 As % of total world imports of the related industry	2005 Value (in millions of $)	2005 As % of total imports of related industries by developing economies	2005 As % of total world imports of the related industry	Growth rate (%) 1996-2005	Growth rate (%) 2000-2005
ALL CREATIVE INDUSTRIES	43,413	100.00	20.98	91,856	100.00	28.24	186,809	100.00	33.21	15.2	16.9
AUDIOVISUALS	26,258	60.48	22.68	58,275	63.44	28.80	129,438	69.29	32.24	16.7	19.1
E-BROADCASTING	19,872	45.77	24.49	46,990	51.16	29.52	106,706	57.12	32.45	17.9	19.8
FILM	104	0.24	13.99	364	0.40	34.90	466	0.25	35.65	17.7	10.5
SOUND PRODUCTION	6,282	14.47	18.54	10,921	11.89	25.90	22,265	11.92	31.21	11.9	16.3
DESIGN	8,991	20.71	17.79	16,812	18.30	23.65	39,543	21.17	36.76	16.0	21.0
GRAPHIC	75	0.17	12.43	171	0.19	33.92	212	0.11	45.32	12.9	4.3
FASHION	372	0.86	14.25	543	0.59	18.18	731	0.39	19.81	5.9	7.6
GLASSWARE	243	0.56	43.08	399	0.43	45.73	1,214	0.65	54.61	20.7	24.6
INTERIOR	115	0.26	12.66	171	0.19	22.57	209	0.11	23.91	5.6	3.2
JEWELLERY	8,166	18.81	17.84	15,499	16.87	23.53	37,142	19.88	37.06	16.4	21.6
OTHER	20	0.05	23.68	30	0.03	30.04	35	0.02	38.41	6.4	3.8
MUSIC (CDs, tapes)	630	1.45	15.75	894	0.97	19.82	900	0.48	16.73	3.0	0.5
INSTRUMENT	420	0.97	12.43	712	0.77	17.67	857	0.46	16.47	6.8	4.3
OTHER	3	0.01	6.82	7	0.01	10.23	7	0.00	18.32	8.9	1.5
PUBLISHING	2,855	6.58	19.82	6,460	7.03	32.00	7,913	4.24	32.73	10.1	4.7
BOOKS	9	0.02	24.22	18	0.02	40.07	20	0.01	35.82	5.1	1.9
OTHER	2,846	6.56	19.81	6,442	7.01	31.98	7,893	4.23	32.73	10.1	4.7
VISUAL ARTS	4,679	10.78	21.06	9,415	10.25	34.73	9,014	4.83	37.69	6.4	0.1
PAINTING	167	0.38	14.69	330	0.36	21.38	431	0.23	20.06	7.7	6.0
PHOTOGRAPHY	4,512	10.39	21.40	9,084	9.89	35.53	8,583	4.59	39.43	6.3	-0.1

SOURCE: UNCTAD secretariat calculations based on United Nations Comtrade database data.

TABLE 3.3.4.A

RELATED INDUSTRIES: EXPORTS OF ECONOMIES IN TRANSITION, BY PRODUCT GROUP, 1996, 2000 AND 2005

Product group	1996 Value (in millions of $)	1996 As % of total exports of related industries by economies in transition	1996 As % of total world exports of the related industry	2000 Value (in millions of $)	2000 As % of total exports of related industries by economies in transition	2000 As % of total world exports of the related industry	2005 Value (in millions of $)	2005 As % of total exports of related industries by economies in transition	2005 As % of total world exports of the related industry	Growth rate (%) 1996-2005	Growth rate (%) 2000-2005
ALL CREATIVE INDUSTRIES	1	100.00	0.00	599	100.00	0.18	2,608	100.00	0.45	36.6	27.7
AUDIOVISUALS	1	58.41	0.00	190	31.75	0.09	404	15.50	0.10	36.8	16.5
E-BROADCASTING	1	46.41	0.00	171	28.54	0.10	353	13.53	0.10	40.3	15.9
FILM	0	0.98	0.00	1	0.12	0.06	2	0.08	0.16	48.7	77.3
SOUND PRODUCTION	0	11.02	0.00	19	3.09	0.04	49	1.89	0.07	21.3	16.5
DESIGN	0	22.07	0.00	331	55.26	0.51	2,150	82.43	2.07	51.9	46.8
GRAPHIC	-	-	-	1	0.09	0.11	1	0.04	0.16	52.4	48.2
FASHION	0	0.43	0.00	1	0.23	0.05	3	0.11	0.08	25.3	34.4
GLASSWARE	0	0.24	0.00	26	4.41	2.91	4	0.14	0.17	36.7	-12.6
INTERIOR	0	12.24	0.02	26	4.37	3.03	38	1.44	3.03	18.5	7.6
JEWELLERY	0	3.36	0.00	276	46.12	0.46	2,104	80.67	2.19	94.2	52.1
OTHER	0	5.80	0.07	0	0.04	0.24	1	0.03	0.77	18.9	21.0
MUSIC (CDs, tapes)	0	0.20	0.00	3	0.52	0.07	3	0.10	0.05	19.5	11.0
INSTRUMENT	0	0.20	0.00	3	0.51	0.08	3	0.10	0.05	19.8	11.0
OTHER	-	-	-	0	0.00	0.02	0	0.00	0.11	37.7	87.3
PUBLISHING	5	13.80	0.03	245	15.52	1.21	642	8.07	2.66	31.1	17.5
BOOKS	0	0.84	0.04	0	0.00	0.04	0	0.00	0.06	-18.1	-14.4
OTHER	0	5.04	0.00	60	10.04	0.29	23	0.88	0.10	27.1	-24.5
VISUAL ARTS	0	13.45	0.00	14	2.42	0.05	28	1.08	0.11	21.7	14.5
PAINTING	0	8.73	0.01	6	0.98	0.45	9	0.35	0.47	19.5	14.2
PHOTOGRAPHY	0	4.72	0.00	9	1.45	0.03	19	0.73	0.08	22.2	14.6

SOURCE: UNCTAD secretariat calculations based on United Nations Comtrade database data.
NOTES: (1) Excluding Bulgaria and Romania, which are included in the European Union (EU-27).

TABLE 3.3.4.B

RELATED INDUSTRIES: IMPORTS OF ECONOMIES IN TRANSITION, BY PRODUCT GROUP, 1996, 2000 AND 2005

Product group	1996 Value (in millions of $)	1996 As % of total imports of related industries by economies in transition	1996 As % of total world imports of the related industry	2000 Value (in millions of $)	2000 As % of total imports of related industries by economies in transition	2000 As % of total world imports of the related industry	2005 Value (in millions of $)	2005 As % of total imports of related industries by economies in transition	2005 As % of total world imports of the related industry	Growth rate (%) 1996-2005	Growth rate (%) 2000-2005
ALL CREATIVE INDUSTRIES	34	100.00	0.02	1,576	100.00	0.48	7,959	100.00	1.41	40.3	34.0
AUDIOVISUALS	23	66.70	0.02	977	62.01	0.48	6,291	79.04	1.57	43.4	39.5
E-BROADCASTING	20	58.19	0.02	870	55.19	0.55	5,495	69.04	1.67	43.2	38.8
FILM	0	0.61	0.03	5	0.32	0.49	13	0.16	0.97	28.9	19.9
SOUND PRODUCTION	3	7.90	0.01	102	6.50	0.24	783	9.84	1.10	45.1	45.8
DESIGN	3	10.09	0.01	208	13.22	0.29	753	9.45	0.70	42.4	28.6
GRAPHIC	0	0.94	0.05	6	0.38	1.20	6	0.07	1.21	25.6	5.8
FASHION	0	0.41	0.01	11	0.73	0.38	32	0.40	0.86	30.3	22.4
GLASSWARE	0	0.14	0.01	3	0.19	0.33	17	0.22	0.78	51.7	39.8
INTERIOR	0	0.80	0.03	52	3.27	6.82	138	1.73	15.77	27.4	19.1
JEWELLERY	3	7.55	0.01	133	8.46	0.20	558	7.01	0.56	60.8	34.4
OTHER	0	0.25	0.10	3	0.18	2.87	2	0.02	2.10	16.9	-6.7
MUSIC (CDs, tapes)	0	0.41	0.00	13	0.81	0.28	40	0.50	0.74	37.2	26.3
INSTRUMENT	0	0.41	0.00	11	0.71	0.28	38	0.48	0.73	40.4	28.8
OTHER	0	0.00	0.00	0	0.01	0.25	0	0.00	0.58	1.9	9.0
PUBLISHING	0	5.88	0.00	60	10.04	0.29	23	0.88	0.10	26.6	-24.5
BOOKS	0	1.06	0.97	1	0.05	1.81	1	0.01	1.17	3.1	-2.1
OTHER	4	12.74	0.03	244	15.47	1.21	642	8.06	2.66	31.3	17.6
VISUAL ARTS	3	9.00	0.01	133	8.43	0.49	234	2.94	0.98	25.6	13.2
PAINTING	1	1.83	0.06	21	1.31	1.33	31	0.39	1.43	24.6	10.1
PHOTOGRAPHY	2	7.17	0.01	112	7.13	0.44	203	2.55	0.93	25.8	13.8

SOURCE: UNCTAD secretariat calculations based on United Nations Comtrade database data.
NOTES: (1) Excluding Bulgaria and Romania, which are included in the European Union (EU-27).

Creative Economy Report 2008

A new development paradigm is emerging that links the economy and culture, embracing economic, cultural, technological and social aspects of development at both the macro and micro levels. Central to the new paradigm is the fact that creativity, knowledge and access to information are increasingly recognized as powerful engines driving economic growth and promoting development in a globalizing world.

The emerging creative economy has become a leading component of economic growth, employment, trade and innovation, and social cohesion in most advanced economies. Unfortunately, however, the large majority of developing countries are not yet able to harness their creative capacity for development. This is a reflection of weaknesses both in domestic policy and in the business environment, and global systemic biases. Nevertheless, the creative economy offers to developing countries a feasible option and new opportunities to leapfrog into emerging high-growth areas of the world economy.

This Report is the first to present the perspectives of the United Nations as a whole on this exciting new topic. It provides empirical evidence that the creative industries are among the most dynamic emerging sectors in world trade. It also shows that the interface among creativity, culture, economics and technology, as expressed in the ability to create and circulate intellectual capital, has the potential to generate income, jobs and export earnings while at the same time contributing to social inclusion, cultural diversity and human development. This Report addresses the challenge of assessing the creative economy with a view to informed policy-making by outlining the conceptual, institutional and policy framework in which this economy can flourish.

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