2. THE CREATIVE ECONOMY: LEADING TRADE AND INNOVATION

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A. INTRODUCTION\textsuperscript{85}

The ongoing global economic and financial crisis has ushered in a new era of re-thinking of international economic policymaking. The current crisis has forced countries to step onto a path that would encourage an in-depth look at their national dynamics to promote skills and technological development as an integral part of sustainable development strategies.

With a steady decline of global demand in the most advanced countries since the last quarter of 2008, the majority of the developing and transition countries have seen a sharp fall in their exports which led to a deterioration in disposable income and increased unemployment numbers. The crisis has uncovered that while the traditional manufacturing industries were seriously hit, the more knowledge-based creative sectors were more resilient to external shocks.

The global economic recovery process remains fragile, despite mitigating policy measures initiated by G-20 countries since early 2009, and it is now clear that the recovery cannot depend solely on raising consumer demand in developed countries. Developing and economies in transition countries should continue enhancing the development of their creative capacities, progressively looking for new market opportunities and promoting technology and innovation.

Since the publication of the first United Nations Creative Economy Report – 2008: the challenge of assessing the creative economy towards informed policy-making, the creative economy has become a much talked about issue of the international economic and development agenda, calling for informed policy responses in both developed, economies in transition and developing countries. Adequately nurtured, creativity fuels culture, infuses a human-centred development and constitutes the key ingredient for job creation, trade expansion and innovation while contributing to social inclusion, cultural diversity and environmental sustainability.

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\textsuperscript{84} The views expressed in this paper are those of the authors and do not necessarily reflect the views of the United Nations Secretariat or its members. Any mistakes and errors in this paper are those of the authors’ own.
\textsuperscript{85} This chapter is largely based on the analysis and information of the Creative Economy Report - 2010: creative economy a feasible development option, United Nations, New York and Geneva. Visit http://www.unctad.org/creative-programme for further information. Email: creative.industries@unctad.org
At the outset, it may be worth noting that analysis of the creative economy provides new insights into the impact of recent developments in the global market. The quantitative evidence indicates that an important lesson from the global economic and financial crisis is that the market, contrary to conventional wisdom, does not have a near-miraculous capacity to address socio-economic imbalances. Hence, policies and actions to foster development should be rooted on a balanced role for policy interventions and market interactions. In this context, the debate around the development dimension of the creative economy gained momentum in a search for a new development model better adapted to the realities of the contemporary society and increasing market participation of transition and developing countries. Therefore, any attempt to identify trends, strengths and weakness, as well as challenges and opportunities in the creative economy should be addressed in national strategies with respect to the changing global environment.

Clearly, there is a need for a better understanding of the dynamics of the creative economy in our globalized world. A more holistic approach to development is needed. It is time to take some distance from the global and look more deeply to the local, identifying specificities and identities of countries and recognizing their cultural and economical differences in order to capture their real needs and surrounding environment. It seems crucial to explore the linkages between creative capacities, trade, investment and technology, and innovation and see how this can be translated into a vibrant creative economy that can contribute to economic prosperity and poverty reduction.

The key contextual feature is that the world economy has faced the most severe recession since the Great Depression of the 1930s, and this has seriously undermined global growth, employment generation and quality of life. Many believe that the crisis pointed to the limitations of mainstream economic policies, giving clear signs of the need for profound economic and financial reforms, new approaches to development strategies and better balance between the roles of the market and the government. New development routes are needed to reorient policies towards more equitable, sustainable and inclusive growth strategies that are able to accelerate socio-economic growth, create jobs and raise living standards. Against this background, the creative economy is a feasible development option.

We now outline a course for the remainder of the paper. Section B presents a brief sketch of UNCTAD’s work on the Creative Economy. Section C discusses concepts, definitions, classification and measurement issues related to the creative economy, with sections D and E specifically outlining UNCTAD definitions of the creative industries and creative economy. UNCTAD global database on the creative economy is reported in sections F, with section G providing some preliminary analysis of the UNCTAD trade statistics on the creative economy. Section H concludes the paper.

**B. UNCTAD’S WORK ON THE CREATIVE ECONOMY**

The United Nations activities have placed development at the heart of global policy concerns and actions. In particular, UNCTAD's work in this area seeks to demonstrate that the creative economy is not the only solution, but rather a feasible option that can contribute to fostering development during this time of global crisis. By dealing with economic, cultural, social and technological issues, it offers some possible ways to support developing and economies in
transition countries’ efforts to advance development in line with the MDGs. This section highlights the UNCTAD’s mandate in areas related to the creative economy.

The creative economy concept 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 189 Member States. For achievement of the eight Millennium Development Goals (MDGs) by 2015, a series of policy instruments have been articulated by the United Nation’s bodies to assist developing countries in the process of responding to these challenges. Since 2000, 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.

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. 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).

At the Third United Nations Conference on the Least Developed Countries, organized by UNCTAD in its capacity as the United Nation’s focal point for issues relating to the LDCs and held in Brussels in May 2001, the music industry became the subject of intergovernmental debates. The rationale was to sensitize governments of LDCs to the fact that the wealth 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." In follow-up, a series of studies was carried out to examine the economic potential of the music industry to improve earnings from trade and intellectual property rights (IPRs) in a number of developing countries, particularly in the LDCs and SIDS. 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. The fourth United Nations Conference on Least Developed Countries will be held in Turkey in 2011.

86 See “Audiovisual services: Improving participation of developing countries”, note by the UNCTAD secretariat (UNCTAD document TD/B/COM.1/EM.20/2), September 2002.
89 Reference to case studies by the UNCTAD/WIPO research project on the Caribbean music industry.
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\(^{90}\) 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\(^ {91}\), 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" (para. 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" (para. 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"\(^ {92}\). 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 needed for the promotion of more collaboration among different international agencies and the investment community."\(^ {93}\)

In discharging its mandates, UNCTAD shaped 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 by UNCTAD in 2004. The Group, which brings together ILO, ITC, UNCTAD, UNDP, UNESCO and WIPO, maintains a regular dialogue and meets annually 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 was the first Creative Economy Report - 2008, which was a pioneer example of cooperation involving the contributions of five agencies from the UN family in a joint endeavour to improve policy coherence and the impact of international action on issues relating to the creative economy.

\(^{90}\) Deliberations based on "Creative Industries and Development" (UNCTAD document TD (XI) BP/13), 4 June 2004.


\(^{93}\) Ibid., para.7.
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, policymakers, experts and practitioners from the cultural and creative community and academia from 49 countries, 19 international organizations and nine 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\(^4\). It was recognized that, in line with its mandate (São Paulo Consensus, paras.65 and 91), UNCTAD has been playing 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\(^5\).

Furthermore, two other important events were held during the twelfth session of the quadrennial Ministerial Conference of UNCTAD held in Accra, Ghana, from 20 to 25 April 2008: (a) The launching of this first Creative Economy Report 2008\(^6\) 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 launching of the UNCTAD Creative Africa Initiative\(^7\).

The Creative Economy Report 2008 became a world reference on this new topic that in a few years has become well-integrated in the international economic and development agenda. There is evidence that the report has been instrumental in facilitating policy formulation in international, regional, national and municipal governmental spheres. The report concluded that the creative industries was one of the most dynamic sectors of the world economy due to the increasing demand for knowledge-based goods and services that associate creativity, culture, arts, media, design and creative services with new lifestyles. The forthcoming Creative Economy Report – 2010 aims to show that the creative economy is not a panacea but is a feasible option to foster a human-centred, inclusive and more sustainable development path in this post-crisis period.

C. CONCEPTS, DEFINITIONS, CLASSIFICATION AND MEASUREMENT

This section 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". So fundamental to an understanding of the creative economy - what it comprises and how it


\(^5\) 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), February 2008

\(^6\) http://www.unctadxi.org/en/Programme/Other-Events/Creative-Africa/Launch-of-the-Creative-Economy-Report/

\(^7\) http://www.unctadxi.org/en/Programme/Creative-Africa/
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.

**Concepts and definitions**

There is no simple definition of "creativity" that encompasses all the various dimensions of this phenomenon, and likewise no straightforward definition of the term “creative economy”\(^9\). 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 III.2.1. 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 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 5Cs model. There are debates about a possible establishment of a European Creativity Index to be applied to the countries of the European Union; the proposal builds upon existing indices and suggests a model with 32 cultural-related indicators grouped in five pillars of creativity, namely: human capital, technology, the institutional environment, the social environment, openness and diversity\(^9\). The goal of such an index would be to highlight the potential of including culture-based indicators in existing frameworks related to creativity, innovation and socio-economic


\(^9\) 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.
development with a view to assessing the creative performance of EU Member States and facilitate policymaking.

**Figure III.2.1. Creativity in the modern economy**

**Figure III.2.2. Interplay of the 5Cs: outcomes of creativity + 4 capitals**
Creativity can also be defined as the process by which ideas are generated, connected and transformed into things that are valued. In other words, creativity is the use of existing knowledge to produce new ideas. However, creativity is not the same as innovation. Originality means creating something from nothing or reworking something that already exists. In this conceptual debate it should be pointed out that creativity is not the same as innovation. Nowadays the concept of innovation has been enlarged, it is not only of a functional, scientific or technological nature but it also reflects aesthetic or artistic changes. Latest studies point to the distinction between “soft” and technological innovation, but recognize that they are interrelated. There are high rates of soft innovation in the creative industries, particularly in music, books, arts, fashion, film and video-games. The focus is mainly on new products or services rather than processes.

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.

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100 Stoneman P., Soft innovation: economics, product aesthetics and the creative industries, Oxford University, UK, 2010.
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 provides a basis for differentiating between cultural and creative industries, as discussed in the following sections.

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 commercialization 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". This two fold nature - combining the cultural and the economic - gives the cultural industries a distinctive profile.

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 privately 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. While the theoretical and economic analysis in this report takes into account 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.

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 policymakers in the United Kingdom in 1997, when the Government, through the Department of Culture, Media and Sport, set up the Creative Industries Task

102 According to the definition by the Journal of Cultural Economics, an academic quarterly periodical published in cooperation with the Association of Cultural Economics International.
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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\(^{103}\).

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 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", as already discussed.

**Classification and measurements**

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.

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\(^{104}\) (UNCTAD, 2004). UNCTAD makes a distinction between "upstream activities" (traditional cultural activities such as performing and 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 III.2.3.

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 into 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,

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\(^{103}\) See *Creative Industries and Development*, UNCTAD (document TD (XI)/BP/13, June 2004).

\(^{104}\) See *Creative Industries and Development* (document TD (XI)/BP/13, 4 June 2004).
taking into account their distinct characteristics. These groups, which are heritage, arts, media and functional creations, are outlined in Figure III.2.3.

**Figure III.2.3. The UNCTAD classification of creative industries**

![Creative Industries Diagram](source: UNCTAD (2008))

### D. 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 the 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-roads of the artisan, services and industrial sectors; and
- Constitute a new dynamic sector in world trade.

The UNCTAD classification indicates the following subgroups to help understand the creative industries information and analysis.
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, and whether creative experimentation activities can be considered R&D. Recently more empirical research has been analyzing the interactions between research, science and the dynamics of the creative economy. In UNCTAD’s approach, creativity and knowledge are embedded in scientific creations in the same way as in artistic expressions. In order to nurture the creative economy, governments should regularly assess the conditions for technology acquisition and upgrading and should implement and review their science, technology and innovation policies, including ICTs and their implications for development. Lately, the term Science 2.0 and Expansion of Science (S2ES) has been used with different meanings. It is usually related to Web 2.0 enabled scientific activities, but it has also been related to the
expansion of science by means of new concepts and theories, or new modes of producing knowledge.\textsuperscript{105}

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 are 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, sport is associated more with training, rules and competition rather than with creativity. Therefore, sport is not included in the UNCTAD classification of "creative industries".

As noted earlier, 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.\textsuperscript{106}

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 respect. Subsequently, UNCTAD has enlarged the focus of its policy-oriented analysis, emphasizing four key objectives in its approach to the creative economy:

- 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.

\textsuperscript{105} A World Multi-Conference on Systemic, Cybernetics and Informatics held in July 2010 in Florida, USA addressed issues related to the Second Order Cybernetics (2), and the Systems Approach.

\textsuperscript{106} Reference made to the definition by the UNCTAD Creative Economy and Industries Programme, 2006, and in particular "Creative Economy Report 2008", UNCTAD/ UNDP.
E. 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; and
- It is a feasible development option calling for innovative, multidisciplinary policy responses and inter-ministerial action.

At the heart of the creative economy are the creative industries.

Against this background, the UNCTAD secretariat is developing an economic model to assist developing countries in optimizing 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 results-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 UNCTAD’s areas of competence (see Figure III.2.4). This 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. 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 evidence about the impact of the creative
industries on the wider economy, particularly their spillovers into other segments of the economy.

**Figure III.2.4. The Creative Nexus: the C-ITET model**\(^{107}\)

\[\text{C-ITET} = \text{Creative} \leftrightarrow \text{Investment} \leftrightarrow \text{Technology} \leftrightarrow \text{Entrepreneurship} \leftrightarrow \text{Trade}\]

Source: UNCTAD (Dos Santos, 2007)

**F. UNCTAD GLOBAL CREATIVE ECONOMY DATABASE**

UNCTAD proposed a possible model applicable worldwide that was immediately tested and used through the UNCTAD Global database of trade statistics for creative goods and services, without incremental cost for any country. The purpose of the first Creative Economy Report in 2008 was to start a process of advancing the debate on the importance of mapping, and how to measure the impact of the creative industries at the national and global levels. Now for the Creative Economy Report - 2010, this work moved a step further and considerable improvements have been made in the quality and coverage of the creative industries trade data presented.

In order to achieve this goal, UNCTAD makes a comparative analysis of current methodologies used for statistics for the creative industries, taking into account the new 2009 UNESCO framework for cultural statistics, as well as ongoing work being carried out by other international institutions and individual countries in this regard. As a result of this work, complementary measures for the improvement of the world trade statistics for the creative industries are proposed and presented in this report. The creative economy is booming and governments from developing countries need some analytical tools and comparative analysis to support their efforts to put in place the necessary national and international policies to embark on this new and promising terrain.

The exercise of revising the UNCTAD model for creative industries trade statistics in 2010

\(^{107}\) See “Creative Economy Report 2008”, UNCTAD/ UNDP.
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takes into account, and complements the work carried out and adopted by relevant international organizations. For example: EUROSTAT published a pocketbook for cultural statistics in 2007\textsuperscript{108}; Convenio Andrés Bello proposed a classification of cultural goods for MERCOSUR countries in 2008\textsuperscript{109}; and UNESCO launched the new framework for cultural statistics in 2009\textsuperscript{110}. Besides these important references, UNCTAD has also contacted some countries’ statistical authorities and gathered feedback and comments. In this way, it was possible to have a clearer idea about the coverage of creative products selected in the international scene.

The intention was, therefore, to conduct an evidence-based comparative analysis of classifications for trade of creative/cultural goods in a global context, with the purpose of not only refining the UNCTAD taxonomy of creative goods, but also to present a pragmatic methodological tool for developing countries with varying capacities to organize their cultural statistics framework. There are different types of cultural statistics such as activities, occupation, trade goods and service, expenditure, time-spending/ participation, etc. The UNCTAD model focuses exclusively on statistical methodologies for ‘trade’ goods and services, but hopefully in the near future it will also cover trade in digitalized creative products.

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 benchmark the creative industries in both the developed or developing world. The identification 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 relevant United Nations organizations is essential, in particular UNCTAD, UNESCO, WIPO and ILO which are already working with a view to ensuring that official data are collected and analyzed for all countries in the areas of their competence. It is important to ensure equivalence and coherence between various international and 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.

The Creative Economy Report argues that it is possible to use existing taxonomies of trade to partially describe the dynamics of the creative economy. This by definition resulted in an underestimate of world trade of creative industries. Yet, UNCTAD made a start in 2008 by creating the basis for a systematic collection and trade analysis of data on the creative economy, highlighting critical areas. Now in 2010, a step further is being taken in revisiting


and sharpening the list of creative goods, providing expanded data for creative services, and deepening the trade analysis with greater focus on its South-South dimension.

The UNCTAD classification emphasizes the undiscovered creativity of the Global South by providing elements to identify potentialities. Therefore, the majority of products in the UNCTAD classification are Design and Art crafts. Indeed it was the Creative Economy Report 2008 that first presented world trade statistics for these two categories on a universal basis, since these categories are those for which developing countries have higher market shares and opportunities in international trade. The UNCTAD classification is pragmatic in the sense that it not only analyzes the evolution of statistical methodology, but at the same time shows the balance of trade data currently available.

The UNCTAD global database of trade statistics has migrated to the new classification and the reason for migrating from the HS 1996 to HS 2002 version are two fold. Firstly, the version of HS 1996 has been established for more than 10 years and therefore the composition of codes in HS 1996 cannot be expected to reflect recent developments in creative industries, and a more recent version of HS codes provides for a better disaggregation. In this case, HS 2007 is the latest version and indeed provides the best disaggregation of codes, but the trade data for HS 2007 is only available after the year 2007 making it impossible to conduct a comparative analysis for the evolution of world trade in creative industries.

Secondly, the data availability is another reason to suggest this migration. UNCTAD needs to adopt a classification which is capable not only of capturing the largest number of data but also to maintain the number at the same level. The data availability of HS 2007 is the poorest in the entire time series; only 102 countries’ data was available in 2008. On the contrary, although HS 1996 has the largest number of data comparing with other versions, the number of reporting countries decreased nearly 12%, from 166 to 147 between 2005 and 2008. In this context, the 2002 version of HS codes seems to best meet our requirements, and has therefore been selected as the methodology for this report.

UNCTAD is fully aware that there is no single definition and classification of creative industries, neither a “one size fits all” approach that applies to all countries. Rather, there is a multiplicity of approaches, and certainly no consensus model. In this context, international comparison remains highly problematic because of the limitation of methodologies and the gaps in the statistical tools for quantitative and qualitative analysis.

**G. TRENDS IN INTERNATIONAL TRADE IN CREATIVE GOODS AND SERVICES**

UNCTAD’s database attempts to provide a picture of international trade flows of creative goods and services in global markets for the period 2002-2008. The database also contributes to improve market transparency but much more needs to be done at the national and international levels, in order to provide better tools to assist governments in policy formulation, and provide a clear understanding of the dynamics of the creative products in world markets for the creative community.
In 2008, the global economic downturn and recession undermined opportunities in many countries for jobs, growth and economic and social well-being. With falling global import demand, world trade sharply declined by 12%. Export sectors continue to play an important role in the development process through productivity growth, income and employment creation and technology diffusion. The contribution of exports to GDP in developing countries, increased from 26% in 1990 to 44% in 2008, revealing the increasing openness of their economies. Although in global economic upturns trade openness allows countries to secure gains from trade, in global economic downturns negative external shocks are readily transmitted. Falling global import demand has severely affected those countries most successful in export-led growth, calling for a reassessment of export-led growth strategies. Unlike previous crises largely confined to particular countries/regions, this time global demand contraction has limited the ability of countries to use trade to boost recovery. Therefore, international trade may take longer than previously expected to reach its pre-crisis level. In 2010, while the signs of recovery are visible across many countries, concerns remains regarding how robust and sustained the recovery will be.

By contrast, in the case of the creative industries international trade continued to grow, despite the effects of the economic crisis on international trade in 2008. During this decade, creative industries emerged among the world's most dynamic sectors, offering vast opportunities for cultural, social and economic development. Since 2000, exports of creative industry products have been growing at an unprecedented rate, as compared with the traditional sectors of the world economy. More recently, this upward trend in the international trade of creative products became more pronounced, recording an annual growth rate of 14.4% during the period 2002-2008. World trade in creative goods and services surged to US$592 billion in 2008 as compared with US$267 billion in 2002 according to UNCTAD. Over the period 2002-2008, the creative industries gained shares in global markets, growing at an annual rate of 14%.

Noteworthy that creative services are rising extremely fast, in the period 2002-2008 annual growth reached 17.1%, as compared with world services exports which grew at an annual rate of 13.5%. Developed economies accounted for 83% of total exports of creative services in 2008, while developing economies had an 11% market share, and economies in transition had 6% of the world total. This is evidence of the dynamism of the creative economy in contemporary society.

Exports of creative goods accounted for the vast majority of world trade of creative industries. In 2008, they reached US$407 billion, a level twice higher than the US$205 billion in 2002 (see Table III.2.1) and representing an annual growth rate 11.5% over the period. Exports of creative services increased by 17% annually, rising from US$62 billion in 2002 to US$185 billion in 2008 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.

While developed countries continue to lead both export and import flows, developing countries year after year have increased their share in world markets for creative products and

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111 UNCTAD, Evolution of the international trading system and of international trade from a development perspective: impact of the crises, UNCTAD TD/B/56/7, Geneva, September 2009
their exports have increased faster than those from developed countries (see Tables III.2.2 and III.2.3). Exports of creative goods from developing economies accounted for 37% of world exports of creative goods in 2002 and reached 43% in 2008. This significant growth reflects the remarkable increase in production and trade of creative goods in China, which remained as the world’s leading exporting country of creative goods in 2008 with an impressive market share of 20% of total world exports of creative goods. Exports of creative services from developing countries account for 11%, while developed countries exports reached 83% of world exports of creative services in 2008.

Exports of creative goods from the developed economies showed positive trends during the period 2002-2008. Export earnings increased from US$128 billion in 2002 to $227 billion in 2008. Design products provided the highest contribution to the trade balances of these economies, followed by publishing. Exports of arts crafts increased in value but the developed economies lost market share as a result of the increase in exports by developing economies. The United States ranked first in 2008 thanks to its competitive position in design, which includes, among other items, interior objects.

Exports of creative-industry products during the period 2002-2008 were led by Europe. The 27-member European Union (EU-27) is the leading regional economic grouping in exports of creative goods, dominating the market with about 40% 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 2002-2008 for both goods and services. Its exports of creative goods totaled US$89 billion in 2002, rising to US$163 billion in 2008. However, economies in transition countries export and import flows are much lower as compared to country groups. The group of economies in transition experienced a sharp increase in exports from US$1.2 billion in 2002 to US$3.7 billion in 2008, but this represents only 0.9% of world total exports of creative goods in 2008. Over the past few years there has been growing interest among policymakers in these countries to explore the potential of the creative industries to harness trade expansion and economic development.

In recent years, UNCTAD trade analysis has been providing evidence of new opportunities in the steadily growing markets of the South. Emerging trading and economic dynamism in the South has created a new set of relationships among North and South economies. In 2008, South exports of all goods to the world have reached US$6.1 trillion dollars, up from US$1.4 trillion dollars in 2002. While, in the case of South exports to South, the total figure increased from US$828 billion dollars in 2002 to US$3 trillion dollars in 2008, and is little less in the case of South exports to North economies. Exports from South to South has increased faster than exports from South to North in the same period, which provides further opportunities for developing countries to engage in trading relationships with other developing countries.

In the case of creative industries, South-South trade of creative goods reached nearly US$60 billion in 2008 and has tripled in only six years. The South-South trade in creative goods grew at an astonishing rate of 20% annually over the period of 2002-2008, while South exports to the North has been growing at an annual rate of 10.5%.
The list of the world’s 20 leading exporters of creative goods in 2002 and 2008 is presented in Table III.2.4. China headed the list while the positions of the United States, Germany, Italy, the United Kingdom, France and the Netherlands were at the top in 2008 as they had been in 2002. India, Turkey, Mexico, Thailand and Singapore are the other developing economies that ranked among the top 20 exporters of creative goods in 2008. India showed the greatest growth in exports of creative goods during the period 2002-2008.

Another point to underscore is that of trade balance in creative goods. The export and import statistics of the individual countries could clearly indicate if a country has a trade surplus or deficit. For creative goods, China has posted the highest trade surplus that increased from US$29 billion in 2002 to US$79 billion in 2008, which is evident given their dramatic surge in exports. Contrary to the China story, the United States registered a very large trade deficit of US$55 billion in 2008. This result corresponds to the global discussion that China's share of trade deficit in the US is the largest among all other group of economies.

The world trade figures for creative industries clearly provide evidence that creative industries constitute a new dynamic sector in world trade. The magnitude and 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, in both developed and developing countries and particularly in Asia.

H. CONCLUDING REMARKS

Creative products and cultural activities have real potential to generate economic and social gains. The production and distribution of creative products can yield income, employment and trade opportunities, while fostering social cohesion and community interaction. Thus, knowledge and creativity are becoming powerful drivers of economic growth in the contemporary globalizing world. They have profound implications for trade and development.

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 technologies and a focus on market expansion that are distinguishing characteristics of the creative industries as dynamic sectors in the world economy. Undoubtedly, a major driver of the growth of the creative economy worldwide has been the rapid advances 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. ICT tools offer new distribution channels for creative products; allow the adoption of innovative entrepreneurial business models; and strengthen the links between creativity, arts, technology and business.

Research being carried out by UNCTAD affirms that ICTs contribute positively to economic growth in both developing and developed economies. They boost productivity by improving the efficiency of individuals, firms, sectors and the economy as a whole. ICTs can

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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, more trade. It is also important to observe that the economies in transition countries have recently been able to speed up their trade integration through ICT-related policies in order to reap the benefits of their positive spillover effects.

Together with technology and innovation, they open up a huge potential for countries to develop new areas of wealth and employment creation consistent with new trends in the global economy. For such countries to realize this potential, it is necessary to carefully formulate specific policies for enhancing creative capacities through strategic actions to be taken by governments at local, national and regional levels, while possibilities for international cooperation and strategic alliances should also be explored.

In conclusion, the UNCTAD secretariat will continue to fulfill its mandates and assist governments on issues related to the development dimension of the creative economy and industries, in line with the three pillars of UNCTAD’s work: (i) consensus-building, by providing a platform for intergovernmental deliberations; (ii) policy-oriented analysis, by identifying key issues underlying the creative economy and the dynamics of creative industries in world markets, and (iii) technical cooperation, by assisting developing and economies in transition countries to enhance their creative economies for trade and development gains.
### Table III.2.1. World exports of all creative industries (goods and services), by subgroup, 2002 and 2008

<table>
<thead>
<tr>
<th>Subgroup</th>
<th>Value (million of US $)</th>
<th>As % of all creative industries</th>
<th>As % of total world export (2)</th>
<th>Value (million of US $)</th>
<th>As % of all creative industries</th>
<th>As % of total world export (2)</th>
<th>Growth rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>All creative industries (3)</td>
<td>267,175</td>
<td>100.00</td>
<td>-</td>
<td>592,079</td>
<td>100.00</td>
<td>-</td>
<td>14.4</td>
</tr>
<tr>
<td>All creative goods (4)</td>
<td>204,948</td>
<td>76.71</td>
<td>3.52</td>
<td>406,992</td>
<td>68.74</td>
<td>2.73</td>
<td>11.5</td>
</tr>
<tr>
<td>All creative services (5)</td>
<td>62,227</td>
<td>23.29</td>
<td>3.79</td>
<td>185,087</td>
<td>31.26</td>
<td>4.80</td>
<td>17.1</td>
</tr>
<tr>
<td>Heritage</td>
<td>25,007</td>
<td>9.36</td>
<td>-</td>
<td>43,629</td>
<td>7.37</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Art crafts goods</td>
<td>17,503</td>
<td>6.55</td>
<td>0.30</td>
<td>32,323</td>
<td>5.46</td>
<td>0.22</td>
<td>8.7</td>
</tr>
<tr>
<td>Other personal, cultural and recreational</td>
<td>7,504</td>
<td>2.81</td>
<td>0.46</td>
<td>11,306</td>
<td>1.91</td>
<td>0.29</td>
<td>7.3</td>
</tr>
<tr>
<td>and recreational services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arts (9.40)</td>
<td>25,109</td>
<td>9.40</td>
<td>-</td>
<td>55,867</td>
<td>9.44</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Visual arts goods</td>
<td>15,421</td>
<td>5.77</td>
<td>0.27</td>
<td>29,730</td>
<td>5.02</td>
<td>0.20</td>
<td>12.8</td>
</tr>
<tr>
<td>Performing arts goods</td>
<td>9,689</td>
<td>3.63</td>
<td>0.17</td>
<td>26,136</td>
<td>4.41</td>
<td>0.18</td>
<td>17.8</td>
</tr>
<tr>
<td>Media (43.960)</td>
<td></td>
<td>16.45</td>
<td>-</td>
<td>75,503</td>
<td>12.75</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Publishing goods</td>
<td>29,817</td>
<td>11.16</td>
<td>0.51</td>
<td>48,266</td>
<td>8.15</td>
<td>0.32</td>
<td>7.3</td>
</tr>
<tr>
<td>Audiovisual goods</td>
<td>462</td>
<td>0.17</td>
<td>0.01</td>
<td>811</td>
<td>0.14</td>
<td>0.01</td>
<td>7.2</td>
</tr>
<tr>
<td>Audiovisual and related services</td>
<td>13,681</td>
<td>5.12</td>
<td>0.83</td>
<td>26,426</td>
<td>4.46</td>
<td>0.69</td>
<td>11.0</td>
</tr>
<tr>
<td>Functional creations</td>
<td>194,283</td>
<td>72.72</td>
<td>-</td>
<td>454,813</td>
<td>76.82</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Design goods</td>
<td>114,692</td>
<td>42.93</td>
<td>1.97</td>
<td>241,972</td>
<td>40.87</td>
<td>1.62</td>
<td>12.5</td>
</tr>
<tr>
<td>New media goods</td>
<td>17,365</td>
<td>6.50</td>
<td>0.30</td>
<td>27,754</td>
<td>4.69</td>
<td>0.19</td>
<td>8.9</td>
</tr>
<tr>
<td>Advertising and related services</td>
<td>8,914</td>
<td>3.34</td>
<td>0.54</td>
<td>27,999</td>
<td>4.73</td>
<td>0.73</td>
<td>18.4</td>
</tr>
<tr>
<td>Architecture and related services</td>
<td>18,746</td>
<td>7.02</td>
<td>1.14</td>
<td>85,157</td>
<td>14.38</td>
<td>2.21</td>
<td>20.9</td>
</tr>
<tr>
<td>Research and development services</td>
<td>12,639</td>
<td>4.73</td>
<td>0.77</td>
<td>31,111</td>
<td>5.25</td>
<td>0.81</td>
<td>14.8</td>
</tr>
<tr>
<td>Personal, cultural and recreational services</td>
<td>21,927</td>
<td>8.21</td>
<td>1.34</td>
<td>40,821</td>
<td>6.89</td>
<td>1.06</td>
<td>10.4</td>
</tr>
</tbody>
</table>

Notes: (1) Reported official figures for creative goods based on 92 reporting countries in 2002 and 138 countries in 2008; creative services based on 102 reporting countries in 2002 and 125 countries in 2008. (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 art crafts goods, visual arts goods, performing arts 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 sections C, D and E.

Source: UNCTAD secretariat calculation based on official data in UN COMTRADE database.
### Table III.2.2. Creative goods: exports, by economic group, 2002 and 2008 (in US$ millions)

<table>
<thead>
<tr>
<th></th>
<th>World</th>
<th>Developed economies</th>
<th>Developing economies</th>
<th>Transition economies</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Creative Industries</td>
<td>204948</td>
<td>406992</td>
<td>127903</td>
<td>227103</td>
</tr>
<tr>
<td>Art Crafts</td>
<td>17503</td>
<td>32323</td>
<td>8256</td>
<td>11443</td>
</tr>
<tr>
<td>Audio Visuals</td>
<td>462</td>
<td>811</td>
<td>425</td>
<td>726</td>
</tr>
<tr>
<td>Design</td>
<td>114692</td>
<td>241972</td>
<td>60967</td>
<td>117816</td>
</tr>
<tr>
<td>New Media</td>
<td>17365</td>
<td>27754</td>
<td>11422</td>
<td>13248</td>
</tr>
<tr>
<td>Performing Arts</td>
<td>9689</td>
<td>26136</td>
<td>8947</td>
<td>22539</td>
</tr>
<tr>
<td>Publishing</td>
<td>29817</td>
<td>48266</td>
<td>25970</td>
<td>38753</td>
</tr>
<tr>
<td>Visual Arts</td>
<td>15421</td>
<td>29730</td>
<td>11916</td>
<td>22578</td>
</tr>
</tbody>
</table>

Source: UNCTAD, based on official data in UN COMTRADE database.

### Table III.2.3. Creative goods: imports, by economic group, 2002 and 2008 (in US$ millions)

<table>
<thead>
<tr>
<th></th>
<th>World</th>
<th>Developed economies</th>
<th>Developing economies</th>
<th>Transition economies</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Creative Industries</td>
<td>225590</td>
<td>420783</td>
<td>187170</td>
<td>317058</td>
</tr>
<tr>
<td>Art Crafts</td>
<td>20341</td>
<td>29272</td>
<td>15336</td>
<td>20836</td>
</tr>
<tr>
<td>Audio Visuals</td>
<td>411</td>
<td>699</td>
<td>326</td>
<td>483</td>
</tr>
<tr>
<td>Design</td>
<td>129232</td>
<td>248358</td>
<td>106388</td>
<td>185810</td>
</tr>
<tr>
<td>New Media</td>
<td>17681</td>
<td>36361</td>
<td>14519</td>
<td>26878</td>
</tr>
<tr>
<td>Performing Arts</td>
<td>11134</td>
<td>28022</td>
<td>9651</td>
<td>22241</td>
</tr>
<tr>
<td>Publishing</td>
<td>29633</td>
<td>49107</td>
<td>25166</td>
<td>36351</td>
</tr>
<tr>
<td>Visual Arts</td>
<td>17158</td>
<td>28964</td>
<td>15784</td>
<td>24460</td>
</tr>
</tbody>
</table>

Source: UNCTAD, based on official data in UN COMTRADE database.
Table III.2.4. Creative goods: top 20 exporters worldwide, 2002 and 2008

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>China</td>
<td>84807</td>
<td>32348</td>
<td>1</td>
<td>20.8</td>
<td>16.9</td>
</tr>
<tr>
<td>2</td>
<td>United States</td>
<td>35000</td>
<td>18557</td>
<td>3</td>
<td>8.6</td>
<td>13.3</td>
</tr>
<tr>
<td>3</td>
<td>Germany</td>
<td>34408</td>
<td>15213</td>
<td>6</td>
<td>8.5</td>
<td>14.7</td>
</tr>
<tr>
<td>4</td>
<td>China, Hong Kong SAR</td>
<td>33254</td>
<td>23667</td>
<td>2</td>
<td>8.2</td>
<td>6.3</td>
</tr>
<tr>
<td>5</td>
<td>Italy</td>
<td>27792</td>
<td>16517</td>
<td>4</td>
<td>6.8</td>
<td>9.7</td>
</tr>
<tr>
<td>6</td>
<td>United Kingdom</td>
<td>19898</td>
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*Source*: UNCTAD, based on official data in UN COMTRADE database.
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