Snapshots of the creative industries: data and issues

Introduction

1. The following snapshots are a collection of data and information collected from the Government's work on the creative industries that began in 1997. These pages have been produced by DCMS to sit alongside The Work Foundation (TWF) report, providing an outline of the 13 sectors that make up the creative industries. They contain data on the size of the 13 sectors, their contribution to the economy and their industry structure along with a discussion of data collection. They also include a series of issues for each sector raised by industry representatives at discussions to inform TWF work and the rest of the Creative Economy Programme (CEP).

2. The definition of the creative industries captures the following 13 sectors: advertising, architecture, art and antiques, computer games, crafts, design, designer fashion, film and video, music, performing arts, publishing, software and TV and radio.[1]

3. Together these industries accounted for 7.3 per cent of Gross Value Added (GVA)[2] in 2004 (the latest year for which figures are available). They grew by an average of 5 per cent per annum between 1997 and 2004. This compares to an average of 3 per cent for the whole of the economy over this period. Exports totalled £13 billion in 2004 which equated to 4.3 per cent of all goods and services exported. Creative employment totalled 1.8 million jobs in summer 2005. This comprised just over 1 million jobs in the creative industries and a further 780,000 creative jobs within businesses outside these industries.

4. DCMS was the first to define and measure the creative industries and the concept has gained momentum around the world. However, others interpret and define the sectors differently. The concentric circles diagram in the accompanying Work Foundation report sets out a typology for analysing the 13 sectors which distinguishes between core creative fields, cultural industries and creative industries. Other models also exist which attempt to segment the industries in different ways.[3]

5. This chapter is intended to provide a snapshot of some of the information about the creative industries captured during the Creative Economy Programme. It is not definitive and there are certainly data sources and perspectives not represented here. However, this report is part of a longer process, and through the CEP, Government, industry and partners will continue to improve data on, and understanding of, the creative industries. A particular outcome of the CEP will be a fuller research plan, identifying gaps in evidence and data.

Data for the creative industries

6. **Measuring the creative industries:** The Creative Industries Task Force, established in 1997 by Chris Smith, produced a Mapping Document in 1998. This was the first ever attempt to define and measure the economic contribution of these 13 'creative industries' to the UK, and to identify the opportunities and threats they faced. An updated document was produced in 2001 and, for the purposes of the CEP and data collection, the definition of the 13 creative industries set out in the 2001 Mapping Document endures.

7. **Data collection:** A key commitment from the 2001 Mapping Document was to provide more timely and consistent data on the activity of the creative industries. To achieve this, DCMS has produced Creative Industries Economic Estimates every year since 2002 using comprehensive annual survey data collected by the Office for National Statistics (ONS).

8. To produce statistics that reflect the Mapping Document's definition of the 13 sectors, DCMS has used the most relevant ONS data and, where necessary, include only proportions of industry sectors. The Economic Estimates include figures for Gross Value Added, number of businesses, exports and total creative employment (employment in creative industry firms and creative occupations outside the creative industries) for most sectors.[4]

9. **Limitations of the data:** The Creative Industries Economic Estimates are the best source of consistent, comparable and regularly updated information. However, the standard industrial classifications for official statistics do not accurately reflect the structure of the creative industries and as such it is difficult to capture the full extent of activity. Due to these constraints the figures should be considered as best estimates rather than definitive valuations. For some sectors, references are made to alternative data sources in order to provide further information on their performance.

Issues for the creative industries

10. **Creative Economy Programme:** The 'issues' section of the snapshots reflects some of the industry views and perspectives expressed through the CEP consultation. Particularly from 2005–07, the DCMS, DTI, CEP working groups and The Work Foundation held a schedule of industry summits and consultation events as well as online

consultation and bilateral discussions. Set out in this section are some of the messages which have been conveyed during that period for each of the industries. Some of these are also picked up throughout this report, but they are recorded separately here in order to set out a snapshot of each of the individual sectors. Views which have not been reflected here have not been lost and will be picked up elsewhere in the CEP process.

Definition of the creative industries

11. **Impact of technology:** The fast pace of technological change in the creative industries has a significant impact on how they operate and will continue to do so. In particular, the massive development of digital media and the convergence of previously distinct ways of producing and delivering creative work have made some old sectoral boundaries partially obsolete.

12. For example, digitisation has enabled new ways for firms to deliver their products and the opportunity to work interactively with their consumers. This has led to the emergence of new firms and challenged the way existing firms operate, creating a 'new media' sector that innovates and exploits technology and operates in a way that is outside traditional industrial structures. It also provides new challenges for government, both in how it defines and measures the creative industries, and how it develops policy and support in this fast-changing environment.

13. **Implications for definitions:** DCMS recognises the imperfections of the Mapping Documents' definitions, but the sectors identified in these publications continue to have a powerful identity, in economic terms and as a focus for organisational and personal commitment. However, given the rapid and turbulent pace of technological change, it is possible that when the next major exercise on the creative economy is undertaken, sectoral boundaries may be rewritten.

Advertising

Description: The activities of the advertising industry are defined as consumer research and insights including identifying consumer tastes and responses, creation of advertisements, promotions, PR campaigns and production of advertising materials. It also includes management of client marketing activity/communication plans as well as media planning, buying and evaluation.[5]

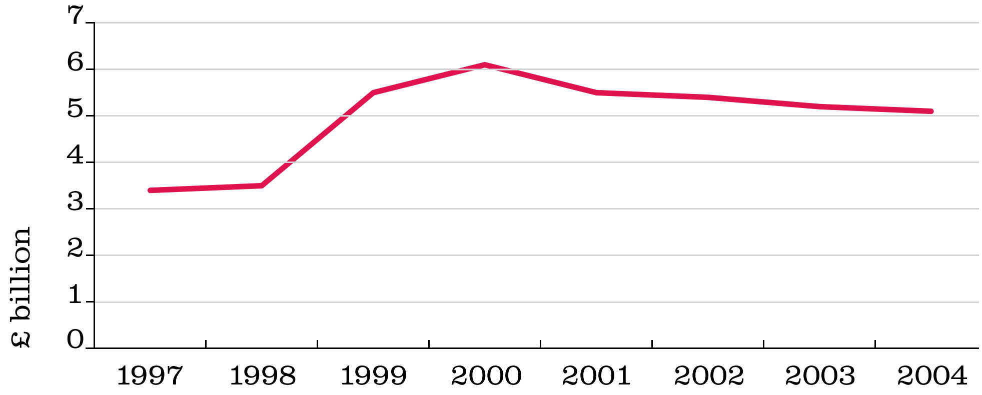
Size: In 2006 the following figures were recorded for the advertising sector:[6]
– GVA was £5.1 billion in 2004.
– Total creative employment of 223,400 in 2005.
– Exports of £1.1 billion in 2004.
– 9,900 businesses in 2005.

Alternative data sources and information: The UK is the biggest advertiser in Europe and the third biggest advertiser in the world, after the USA and Japan (*Advertising Statistics Yearbook 2006*).

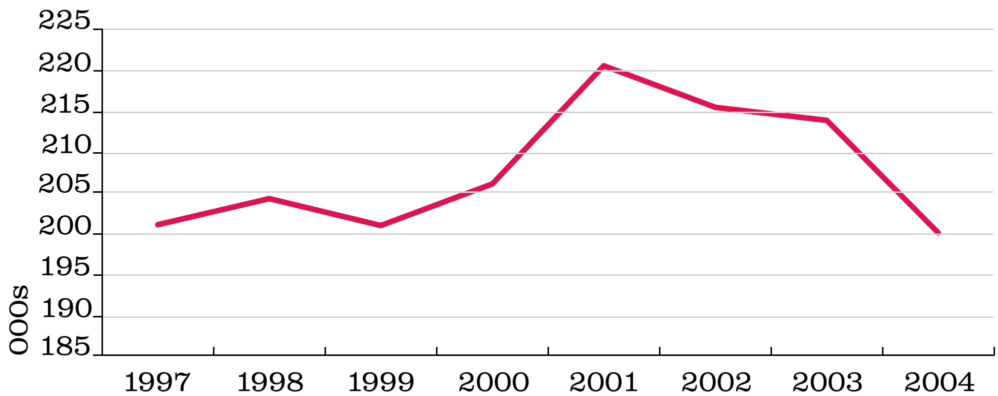
In 2006, for the first time, the UK beat the USA to the No.1 slot in the world rankings for advertising creative excellence. The 2006 Gunn Report explains that in 2006, 'the very best UK work was the most brilliant'.[7]

London dominates the European agency landscape, because London is the Europe/Middle East/Africa hub for the major agency networks (Omnicom/WPP/Publicis/IPG), and the centralised buying office for most of the media agencies (Mindshare/Mediacom/Initiative/ZenithOptimedia).[8]

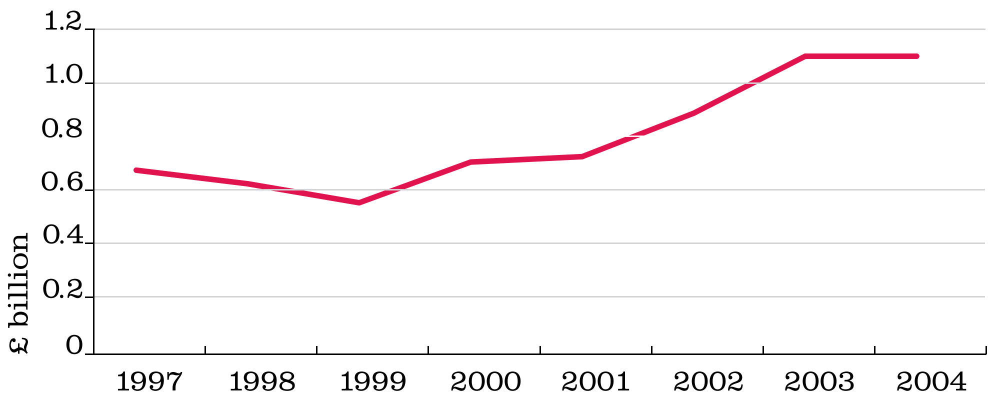
GVA for advertising sector
£ billion 1997 – 2004



Creative employment in advertising
thousand(s) 1997 – 2004



Exports for advertising sector
£ billion 1997 – 2004



Structure of the industry

First stage of the supply chain – commissioning companies: most adverts are commissioned by large private sector corporations, which sell consumer products (and as a result demand for advertising is largely driven by these private sector corporations). Demand from government and NGOs is also significant.

Second stage – media and creative agencies: relates to the production of advertising/campaigns. There are two broad types of agencies involved in this stage of the supply chain:

- media agencies, which cover every aspect of marketing related activities

- creative agencies, which undertake a range of activities including design of marketing campaigns, media buying, print design and, in some cases, public relations.

Third stage – media buying: 'buying' media space for a campaign. This can be in the form of newspaper space, airtime, online advertisements or any other medium.

Despite the increase in the number of alternative advertising mediums in recent years, press advertising remains the largest medium (in revenue terms) in the UK. Indeed, press and television advertising combined represented 74 per cent of all advertising expenditure in the UK in 2004.

Issues

Key issues, opinions and discussion points raised by industry representatives during summits and discussions through the course of the CEP and beyond:

– general increase in the number of possible advertising mediums available

– the emergence of multi-channel TV is a competitive constraint on traditional TV advertising (and other advertising mediums) and has also depressed average TV advertising expenditures

– increased share of advertising spend channeled via the internet

– consolidation of media buyers (as large buyers of advertising are able to secure the best deals from media owners), and

– consolidation of media ownership – worldwide a relatively small number of large global corporations own the majority of the media

– the majority of university media courses do not teach the relevant skills

– digitisation presents a big challenge to the industry. Small firms can access the advertising market through online search engine marketing and this section of the ad industry is growing

– only 4 per cent of employees in the UK advertising industry are from BMEs. This has been explained as a result of a lack of diverse role models in the industry and a 'village mentality' which is not conducive to attracting more diverse groups

– advertising is vital to the business models of many companies. It is important to recognise the interdependencies between the advertising industry and the rest of the economy.

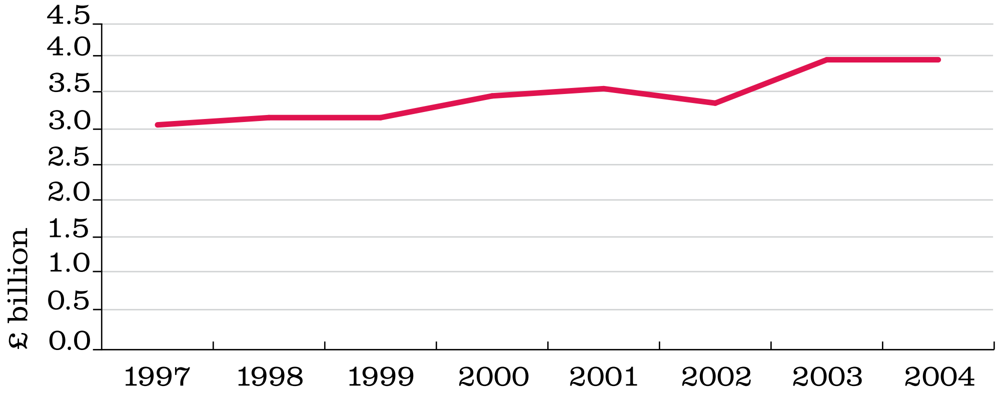
Architecture

Description: The activities of the architecture industry are defined as building design, planning approval and production information. Its related activities include structural environment, landscape and other specialist design, urban planning, construction cost planning and control and construction monitoring.[9]

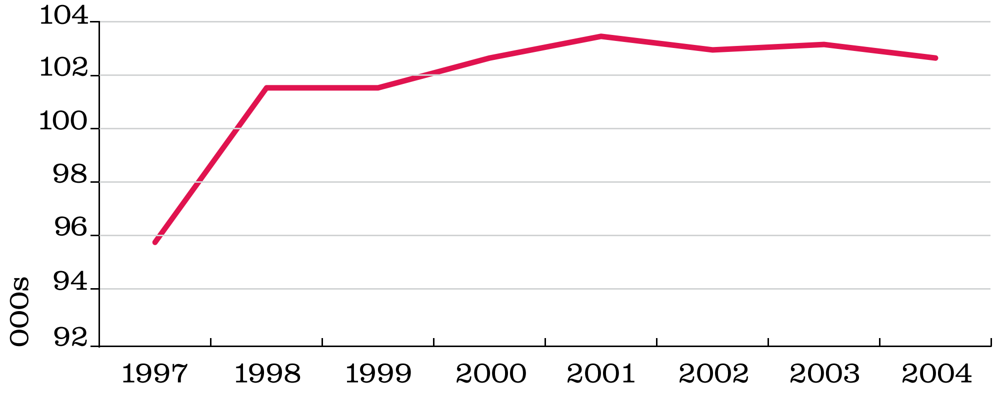
Measurement: Activity in this sector is measured using data for architecture and engineering activities and related technical consultancy.[10]

Size: In 2006 the following figures were recorded for the architecture sector:[11]
– GVA of £4 billion in 2004.
– Total creative employment of 108,200 in 2005.
– Exports of £570 million in 2004.
– 4,700 businesses in 2005.

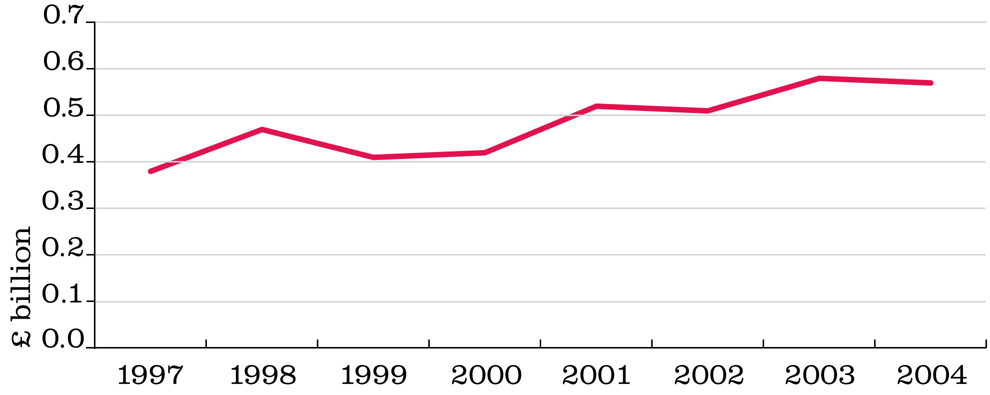
GVA for architecture sector
£ billion 1997 – 2004



Creative employment in architecture
thousand(s) 1997 – 2004



Exports for architecture sector
£ billion 1997 – 2004



Structure of the industry

Supply chain: Agents commission work (private and public sector projects).

Production/design: Private practice architects and freelance architects (work also undertaken by multidisciplinary firms).

Planning approval: Planning authorities (plans will often go through several iterations).

Key activities in the sector can be split between:

– public and private housing developments (however RIBA sources state that only around 20 per cent of new homes are designed by an architect)

– commercial and public sector developments, for example schools, hospitals and civic buildings

– large-scale infrastructure projects, such as the development of Terminal 5 at Heathrow or stations on the Jubilee Line Extension.[12]

Some of the largest architectural firms in the world have a presence in the UK. For example, Aedas Architects is currently the fourth largest practice in the world with 25 offices around the world, 10 of which are in the UK employing 665 people.[13]

Issues

Key issues, opinions and discussion points raised by industry representatives during summits and discussions through the course of the CEP:

– architecture deals with capital ‘products’ that impact on how places function over a long timescale. It has a significant role to play for the UK’s sustainable development agenda and the challenges of climate change will require creative responses to architectural design problems

– changes in the nature of work being commissioned, with public commissioning becoming increasingly important

– continuing impact of public planning policy on the nature of work undertaken

– growing role of non-specialist architectural firms in the sector

– the nature and culture of public service procurement is perceived to make it difficult for small firms to secure contracts

– consumers are often content for architectural work to be undertaken by a contractor rather than an architect due to either not appreciating the longer term value of design quality, or through direct financial constraints. However there is a growing number of developers (eg Urban Splash) who take the opposite approach, and even some of the major house builders have a board level design champion

– while the industry is becoming more diverse, significant steps need to be taken to achieve a better balance. Although a relatively diverse mix of students are studying architecture and related disciplines this mix becomes less diverse as people make the transition from student to employee. Ethnic minorities and women are significantly under-represented in the sector

– finally, industry also feels that PFI as currently constituted limits the time and consideration given to design issues. RIBA ‘Smart PFI’ model offers an alternative model which is being adopted by HM Treasury and OGC.

Arts and antiques

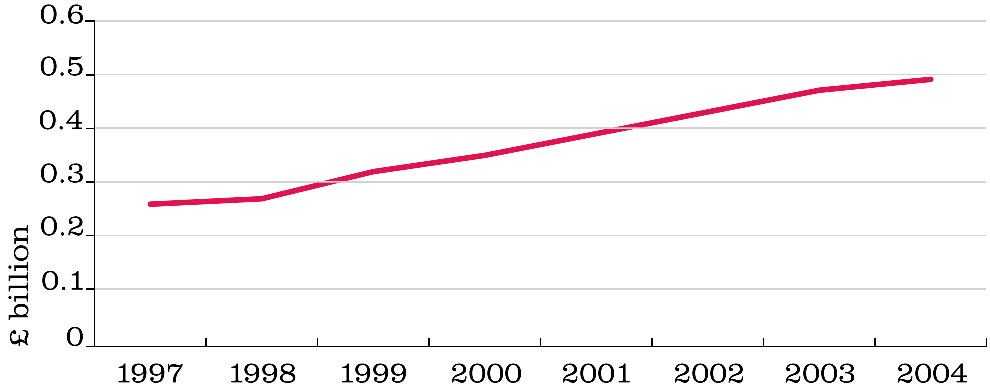
Description: The activities of the arts and antiques industry are defined as trade in art and antiques including paintings, sculpture, works on paper, other fine art, furniture, other discrete disciplines and collectibles.[14]

Measurement: Activity in this sector is very difficult to identify in official national survey data. Government identifies two categories of 'retail sale of second-hand goods in stores' and 'other retail sale in specialised stores' as relevant firm classification codes.[15] As these are fairly broad categories DCMS only takes a very small proportion (5 per cent) for measurement.

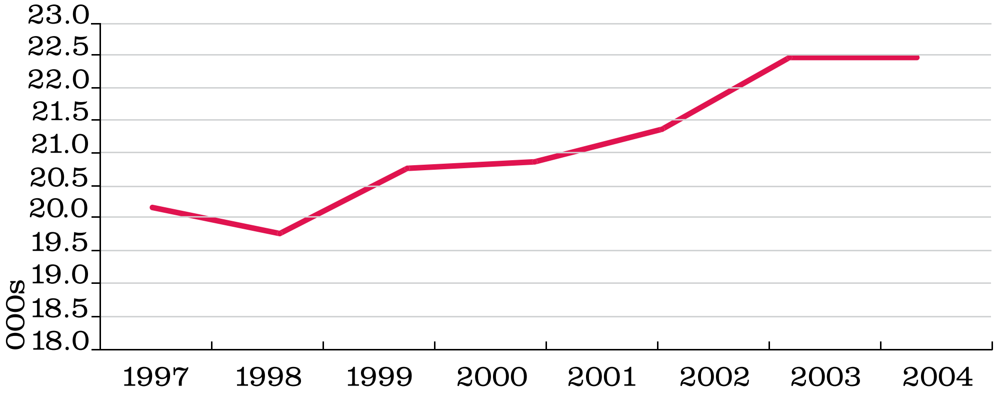
Size: In 2006 the following figures were recorded for the arts and antiques sector:[16]
– GVA of £490 million in 2004.
– Total creative employment of 22,900 in 2005.
– Exports of £2.2 billion in 2004.[17]
– 1,700 businesses in 2005.

Limitations of data collection: The arts and antiques sector is measured by taking a small proportion (5 per cent) of larger industry categories as the sector itself does not have its own classification. This means the trends identified in the graphs above largely reflect the growth of the overall categories (retail in specialised stores and retail of second-hand goods in stores) rather than trends specific to the arts and antiques sector. The result of this approach is that the figures recorded may underestimate the true value of this sector.

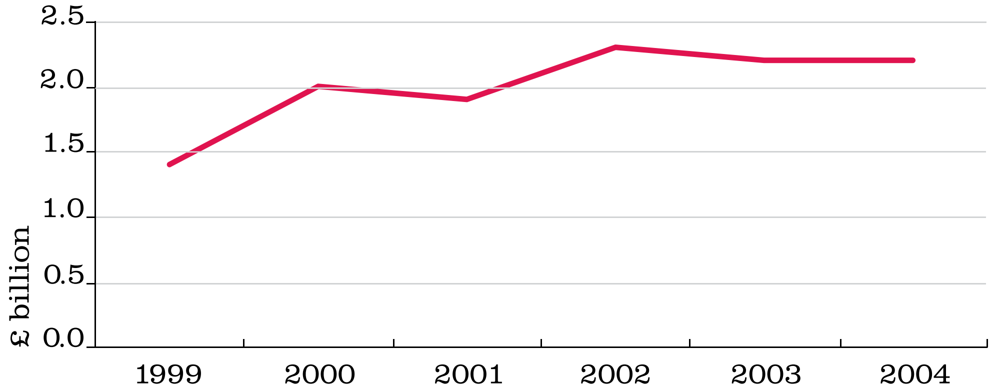
GVA for arts and antiques sector
£ billion 1997 – 2004



Creative employment in arts and antiques
thousand(s) 1997 – 2004



Exports for arts and antiques sector
£ billion 1997 – 2004



Alternative data sources and information

- The European Fine Art Foundation valued the UK art market as having total sales of €6.7bn in 2001 giving it a global market share of 25 per cent, second only to the USA.[18] This figure is for market sales and therefore is not directly comparable to the GVA figure produced by DCMS. GVA removes the value of inputs from firms' outputs, so it will always be smaller than a figure for turnover or sales.

- It is also conceivable that sales figures will be substantially higher than GVA for an industry where there are valuable assets traded (such as the arts and antiques trade) as these would be stripped out of GVA. Therefore this figure is not necessarily incompatible with the GVA figure of £490m produced by DCMS. This also explains why exports measured in sales revenue can be larger than domestic GVA for the industry.

- Imports of arts and antiques from non-EU countries to the UK totalled £2.4m in 2006.[19] It is likely that many of these objects are then resold – often to overseas buyers.

Structure of the industry

The market for art and antiques comprises the following set of core activities:
- contemporary artwork
- fine and decorative arts
- restoration and resale of cultural property
- valuation
- cataloguing
- exhibitions and trade fairs
- auction, and
- retail.

Types of work that are created include:
- paintings
- sculpture
- collectibles
- furniture.

Trade in the art and antiques market takes place through three types of agents:
– auction houses – the larger ones will have in house specialists, do marketing, publishing and have private clients
– dealers who will also have private clients
– art agents – who solely act for private clients.

However, commercial galleries through showing new collections can also enter the market place, reaching consumers who do not normally go through the other agents.

Issues

Key issues, opinions and discussion points raised by industry representatives during summits and discussions through the course of the CEP and beyond:

– What concerns the market is that fiscal or other impositions are applied to the market in the UK which are not applicable to the UK's global competitors (principally the US). These add costs to the market here and make the UK less attractive to sellers, who have the choice of where to sell their art. The art and antiques market is not opposed to regulatory legislation per se, provided that it does not create a competitive imbalance with overseas markets.

– Education and skills – there has recently been an influx of overseas workers doing antique restoration and of foreign students acquiring restoration skills at UK colleges and then returning to their country of origin.

– Role of public institutions – there are several galleries that are able to make new acquisitions such as the Tate. However some of the smaller contemporary galleries can find it difficult and therefore Arts Council England is encouraging galleries to work in partnership to address this issue.

– Affordable studio space – space for artists to create and develop their artform is an ongoing issue and one that Arts Council England are seeking to address through initiatives like ACME (London-based artists' studio provider) and Spike Island, which allow artists to get a foothold and develop their practice.

Crafts

Description: The activities of the crafts industry are defined as creation, production and exhibition of crafts, including textiles, ceramics, jewellery/silver, metal and glass.[20]

Measurement and limitations of data collection: It is not possible to identify crafts businesses in national survey data because the survey used to collect national data cannot identify small firms below the VAT threshold where a large proportion of firms in the crafts sector are.[21] GVA and exports statistics are therefore not available from government sources. However an employment estimate is published, but is derived only from data from members of the labour force who class themselves in 'crafts-related occupations', so will exclude those in other occupations who work within the crafts industry.

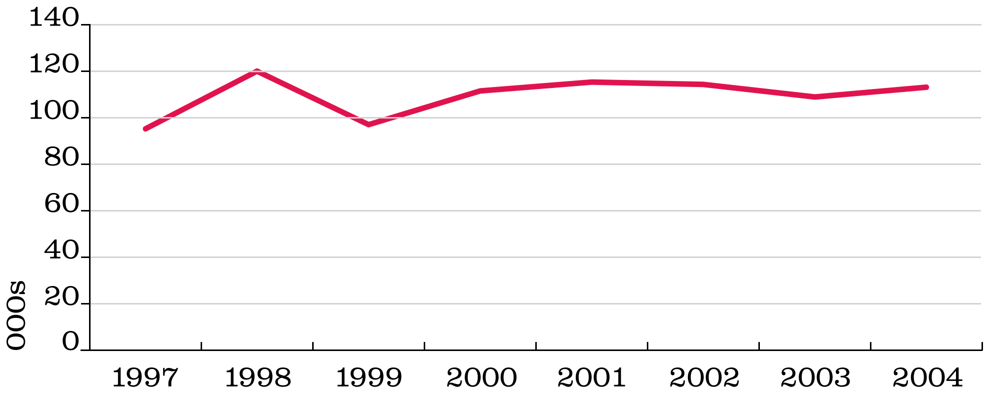
Size: In 2006 the following figures were recorded for the crafts sector:[22]
– Total creative employment of 95,500 in 2005.

Alternative data sources and information

In 'Making it in the 21st century' [2004] the Crafts Council estimates that for 2003:
– Turnover for the crafts sector was £826 million.
– Around 30,000 people were working as craft-makers.
– The main craft sectors as proportions of overall craft employment were textiles (23 per cent), ceramics (21 per cent) and jewellery (15 per cent).
– 87 per cent of crafts enterprises were sole traders.
– 59 per cent of crafts workers were full-time.

'Making it to Market' [2006], an Arts Council England research document suggests that the crafts sector has the capacity to grow by 60 per cent.

Creative employment in crafts
thousand(s) 1997 – 2004



Structure of the industry

The core activity of the crafts industry is the design and manufacture of crafts for sale or exhibition. Crafts are typically categorised as:[23]
– ceramics
– wood
– textiles
– glass
– metal
– jewellery
– fine art.

The industry is made up of a large number of small companies (often self-employed individuals), and the majority of the workforce is female and works part-time.

Craftspeople design and produce a range of products as identified above and this is marketed through private sales and the exhibition of crafts.

Issues

Key issues, opinions and discussion points raised by industry representatives during summits and discussions through the CEP and beyond:

– Very few people generate enough income from crafts for it to be considered their main source of income (and many individuals make a loss from their craft activities). There are a very high number of women working in the sector and part-time work is very common. Portfolio working is the norm, though full-time professional working is increasing, with more people entering the sector with very high levels of qualifications, often at MA level.

– The market is constrained because the infrastructure for craft is fragmented and underdeveloped. It is patchy across the country with the South West having very high levels of success compared with other regions like the East.

– A big issue for the sector is the loss of these subject areas in Higher Education and the absence of craft in the curriculum.

– Cuts in local authority museums and galleries are reducing opportunities for showing work and the ability for work to be acquired for public collections.

Design

Description: The activities of the design sector are defined as design components of industry, interior and environment design and design consultancy. Services provided by the design consultancy sector include brand and corporate identity, exhibitions, information design, literature, multimedia, new product development, packaging and websites.[24]

Measurement: Data for design is not identifiable as a sector from government sources so turnover and exports data from the 'Design Industry Valuation Survey' by British Design Innovation (BDI) are published in the CI Economic Estimates bulletin series.[25] However, due to the limitations of the BDI data, explained below, the Design Council's 'Business of Design' survey is used here to report key facts about the size of turnover in the design sector.

An employment estimate is published in the CI bulletin that reflects members of the labour force who classify themselves as working in design occupations.[26]

Size: The following figures were recorded for the design sector:

From the Design Council's 'Business of Design' publication:

- Total turnover for the industry of £11.6bn in 2004 – 05, which can be broken down into:[27]
  - £5.5bn spent by in-house design teams.[28]
  - £5.1bn turnover across 12,450 design consultancies.
  - £2bn turnover across 47,400 self-employed, freelance and non-employing designers.

From the Creative Industries Economic Estimates Bulletin:

- Total Creative Employment of 115,500 in 2005.[29]

Limitations of data collection: The methodology for measuring the design sector is different to that used for most others in the creative sectors. A turnover estimate is used as a proxy for Gross Value Added though in reality turnover will always be higher than a corresponding GVA figure.[30]

The BDI's survey, which collects turnover and exports data and is used in the CI Bulletin, is a membership survey that does not capture the full extent of activity within the industry. Results may be skewed towards the main members within the survey and are also likely to fluctuate according to membership levels. Furthermore, design within companies is excluded if design is not the company's main business. As such, the estimates of the extent of turnover and exports below may underestimate the true size of this sector. For this reason, the Design Council's survey results for turnover have been used in the section above.

The estimate of employment is derived only from data from members of the labour force who class themselves in design-related occupations, so will exclude those in other occupations who work within design industries. It is a combined estimate for the design and designer fashion sectors.

Alternative data sources and information

Bearing in mind the limitations explained above, the BDI figures reported in the CI bulletin show the following:

– Total turnover for the industry was £3.9bn in 2004.
– Exports of £550million in 2004.

The Design Council also carries out research into the size of the design sector which includes other aspects of design.[31] More detailed information from the Business of Design report and other research show that:

– There were 134,000 designers working in the UK in 2003–04, with a further 51,500 design directors and managers. This equates to total design industry employment of 185,500.

– Large design consultancies are relatively rare and the design industry is characterised by very small businesses: 59 per cent of design consultancies employ fewer than five people and a further 23 per cent employ 5 to 10 people.

– In-house teams tend to be larger than consultancies: half of in house teams comprise five or more designers, while only a quarter of consultancies do so.

– The main clients of 60 per cent of UK design consultancies were located outside of the UK.

– More recent research suggests that every £100 spent by a business on design increases turnover by £225.[32]

– In the very latest research among design buyers from large companies and design companies facing international competition almost three in five of these designers report that they had seen their international work increase and almost half expected it to do so in the next three years. More than half of those not currently working for overseas markets are taking steps to win work overseas or will be considering doing so in the next three years.[33]

Issues

Key issues, opinions and discussion points raised by industry representatives during summits and discussions through the CEP and beyond:[34]

- The recent Cox Review of Creativity in Business highlighted a need to raise awareness about the importance of design and the competitive advantage that it has been shown to bring to SMEs. This need is currently being addressed through the roll-out of the Design Council's Designing Demand programme by RDAs across the country.

- More effective use of design in the public sector is needed. There are some good examples of how design can drive innovation in public procurement and help improve the delivery of core public services.[35]

- Fragmentation of the industry raises important skills issues with no clear continuous professional development path currently apparent within the industry. This issue has recently been highlighted in the Design Industry Skills Development Plan 'Higher Level Skills for Higher Value' which also highlights how design companies need graduates with better communication, social and management skills.

- There is also a need for a professional practice framework in the industry. The Design Council is bringing the trade bodies together to develop this. It would not be mandatory, but could be developed to include benchmarking.

- The design industry needs to access global networks in order to continue working with an increasingly global manufacturing industry. The UK manufacturing industry is declining.

- Better design is an important factor in the drive to achieve better sustainability and reduced waste. The industry will need to prioritise education and skills development in this area to meet the growing demand for sustainable products, services and business solutions.

Designer fashion

Description: The activities of the designer fashion industry are defined as clothing design, manufacture of clothes for exhibitions and consultancy and diffusion lines.[36]

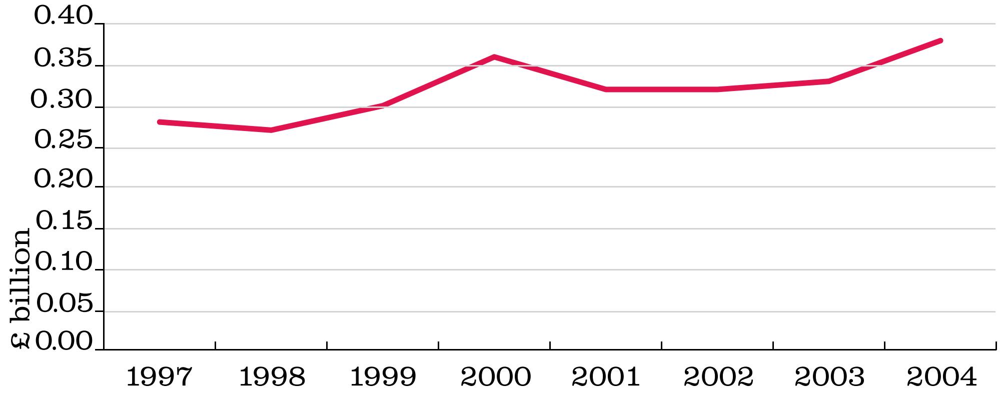
Measurement and limitations to data: Activity in this sector is very difficult to identify in official national survey data. Government data identifies several categories as relevant firm classification codes but these mainly refer to clothing manufacture rather than specifically to designer fashion.[37] As these are fairly broad categories DCMS only takes a very small proportion (between 0.5 and 2.5 per cent) for measurement.

This means the trends identified in the graphs that follow largely reflect the growth of the overall categories (which mainly refer to all types of clothing manufacture) rather than trends specific to the designer fashion sector. This is more of a notable issue in this sector as it is such a small proportion taken.

Size: The latest figures shows the following figures for the designer fashion sector:[38]
– GVA of £380 million in 2004.
– Total creative employment of 115,500 (including all designers) in 2005.[39]
– 1,400 businesses in 2005.

Alternative data sources and information: It is not possible to produce annual figures for the designer fashion industry's exports because sample sizes are too small. However, DTI carried out a study of the sector[40] and estimated exports at £390m in 2001.[41]

GVA for designer fashion sector
£ billion 1997 – 2004



Structure of the industry

There are four key stages in the designer fashion supply chain: design, production, distribution and consumption.

Designers: Typically choose to work independently. They both design and produce 'designer' clothing for their own labels. Their collections and ranges are usually showcased through UK trade fairs, as they tend to sell to independent shops.

Production: tends to be sourced globally to underpin the design function.

Retailers: the retailer's primary function is to distribute fashion garments to the public. However they are also an increasingly important source for jobs within the industry, as they typically employ designers, sourcing and production management, PR and marketing.

Issues

Key issues, opinions and discussion points raised by industry representatives during summits and discussions through the CEP and beyond:

- There is in part a lack of robust industry data on the fashion industry. For example there is no data to establish the value of incremental sales from the fashion designer sector into the retail, shoe, sunglasses, accessories, telecommunication or magazine sector and limited statistics that show the size of the growing fashion retail sector which is a significant wealth generator and employer in fashion for the UK.

- British fashion is seen as ‘retail led’, due to both the dominance of a few large stores which commission or buy ranges from high fashion designers and the massive presence and influence of the large high street chains.

- The industry is characterised by a large number of small companies, mostly in London, which have a high rate of failure or re-formation.

- Independent fashion designers and respective labels sometimes run their businesses without business plans, which partly reflects the high degree of sunk costs in the preparation of their collections.

- Copyright law is relevant to original designs but the businesses place a strong reliance on trademarks, on rapid and regular production of new designs and lines, and on production and marketing measures to make copying more difficult.

– Students traditionally are highly qualified in creative skills; however the fashion industry is changing, for example with greater internationalism and global markets. There is now an educational need and opportunity to address these changes and recognise the varied roles created by these changes within the industry, for example sourcing and distributing goods.

– London has built a reputation as an unconventional cutting-edge, ‘street’ design, which attracts students to its top colleges from all over the world. Their products result in admiration, and influence the global fashion directions, however a greater commercial support at the early stages of business, would lead to credibility to the international buyers.

– London Fashion Week displays many of the characteristics of the British fashion scene, however it is lightly resourced and organised compared with the bigger shows in Paris, Milan and New York.

– There is an increasingly broader profile of the fashion industry, for example the welfare of catwalk models, which is highlighting the absence of powerful trade and employee institutions in the industry.

– There are increasing sustainable development issues, which suggest that some major changes in materials, products and production methods may be on their way.

– Distribution: retail sales are a growing area, with functions going beyond selection from shows to include sourcing and product development.

Film

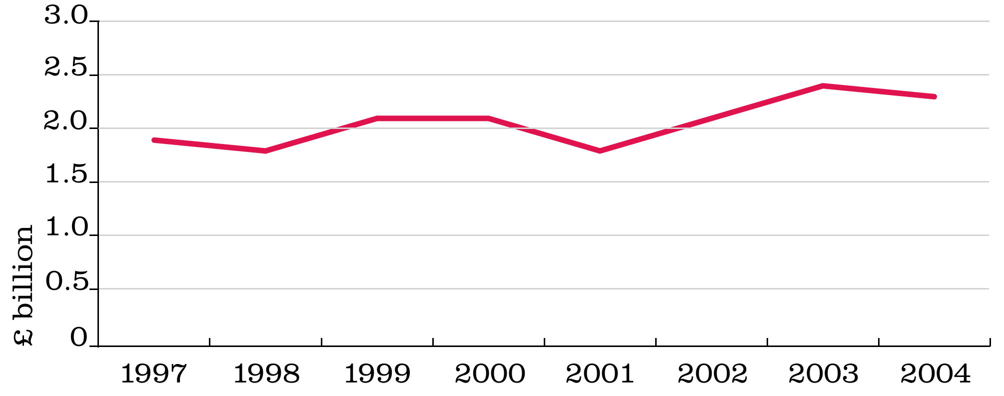
Definition: The activities of the film and video sector are defined as screenwriting, production, distribution and exhibition. Products include feature films as well as training, education, promotion and other videos.[42] The key ways in which these products reach the public are through cinema, video, DVD and television. Linking production and exhibition, the distribution industry provides services such as film and tape delivery and storage, and buying and selling of film and video distribution rights.

Measurement: Activity in this sector is measured using data for film production, distribution and projection, video recording and photographic activities.[43]

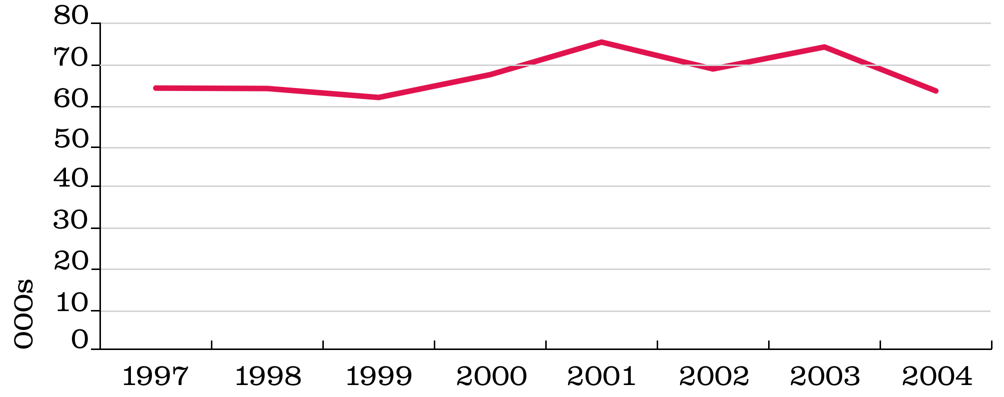
Size: In 2006 the following figures were recorded for the film sector.[44] All figures are for film, video and photographic activities combined:

– GVA of £2.3 billion in 2004.
– Total creative employment of 63,800 in 2005.
– Exports of £940 million in 2004.
– 8,600 businesses in 2005.

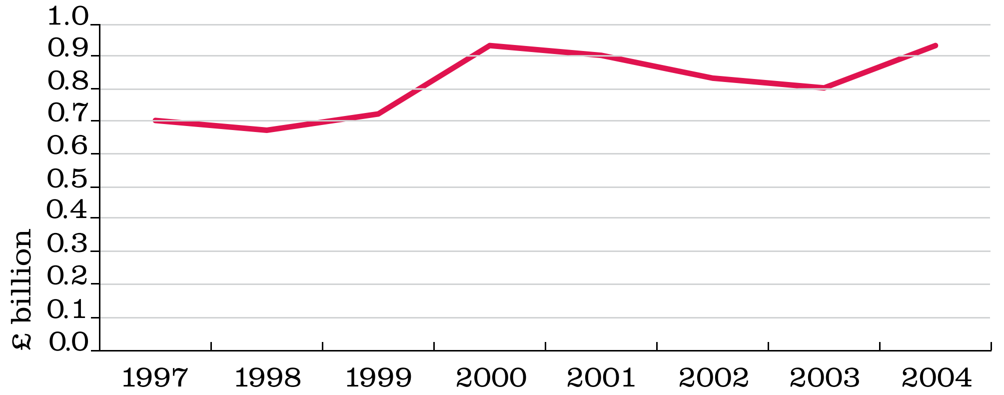
GVA for film sector
£ billion 1997 – 2004



Creative employment in film
thousand(s) 1997 – 2004



Exports for film sector
£ billion 1997 – 2004



Alternative data sources and information

The UK Film Council produces their own statistics using a similar method to Government but removing video and photography. These are published alongside further comprehensive data on topics such as cinema admissions and film production in their Statistical Yearbook, which can be found on their website. (www.ukfilmcouncil.org.uk/information/statistics/statisticalyearbooks/)

Taken from the Film Council Statistical Yearbook:

- In 2005, the UK had the third-largest filmed entertainment market in the world, after the USA and Japan. The USA accounted for 43 per cent of the world market. The next biggest territories after the UK were Canada, Germany, France, Italy and South Korea.

- There were 157 million cinema admissions in 2006, an average of almost three visits per person in the UK. Admissions have increased approximately 40 per cent in 10 years.

Structure of the industry

There are four key stages in the film chain: development, production, distribution and exhibition.

Development: The script is written, and various elements of the film start to be provisionally put in place; director, cast, subject to the necessary finance being raised.

Production: Independently-produced films are typically part-financed by licensing the rights to the film to distributors in return for advances. This licensing process is generally handled by a sales agent. Other forms of finance that are important for independent producers are direct subsidy, tax relief, broadcasters and forms of gap finance.

Distribution: Distributors are responsible for negotiating the timing and scale release of the film with cinema chains. The distributor pays for the prints of the film and the costs of advertising it – together these are known as P&A costs. The distributor is also responsible for arranging the release of the film on DVD through retail stores and online retailers.

Exhibition: The release of a film at the cinema is the key determinant of a film's commercial success since it acts as a showcase for its subsequent distribution in other media – eg DVD and television. Cinemas and distributors divide the box office receipts of a film according to a pre-agreed formula. The amount retained by the distributor is known as the 'rental'. Collection Agents collect receipts from the commercial exploitation of a film and disburse them to those with entitlements to income.

Issues

Key issues, opinions and discussion points raised by industry representatives during summits and discussions through the course of the CEP and beyond:

– The likely shift from packaged goods (DVDs) to electronic downloads via the internet, will impact on revenues and profitability.

– The impact of a continuing shift in consumer leisure patterns toward spending increased time online with multiplayer games, user-generated content etc, will affect cinema going, and time spent watching DVDs and films on television.

– Intellectual Property Crime and Piracy is a major issue, highlighted in the HM Treasury-commissioned 'Gowers Review of Intellectual Property'. There is increased awareness that effective solutions need to be found.

– There are strong UK industry concerns that the current DCI specifications (US studio-led international standards for the production, distribution and exhibition of digital film) will raise the cost of entering the market for smaller and independent studios and postproduction companies; and thus threaten their ability to operate.

– A lack of diversity among the workforce across UK film. The UK Film Council has prioritised making progress on diversity in the film industry employment via its equality charter and Equality Leadership Forum.

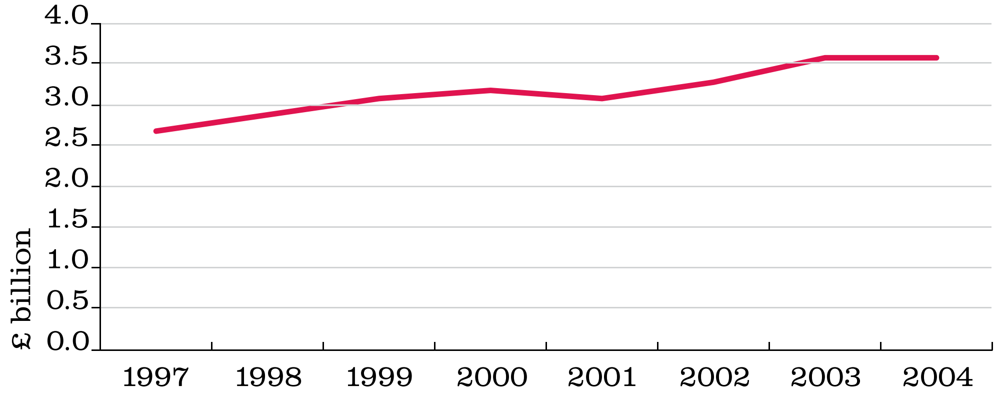
Music

Description: The activities of the music sector are defined as production, distribution and retailing of sound recordings, administration of copyright in composition and recordings, live performance (non-classical), management, representation and promotion, and songwriting and composition.[45]

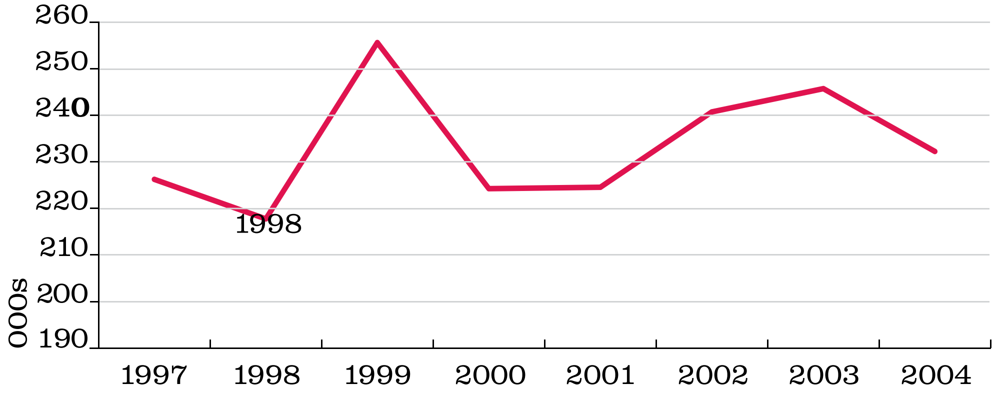
Measurement: Using official Government statistics it is not possible to easily separate music from the performing arts sector. The standard industrial classifications for official statistics make it impossible to separate firms specifically involved in music activity from those in visual and performing arts so these sectors are brought together into one in Government data collection.[46]

Size: The latest figures for the music and visual and performing arts sector as measured by DCMS (please note the figures include visual and performing arts but the rest of the section refers only to music):
– GVA of £3.6 billion in 2004.
– Employment of 236,300 in 2005.
– Exports of £150 million in 2004.
– 29,000 businesses in 2005.

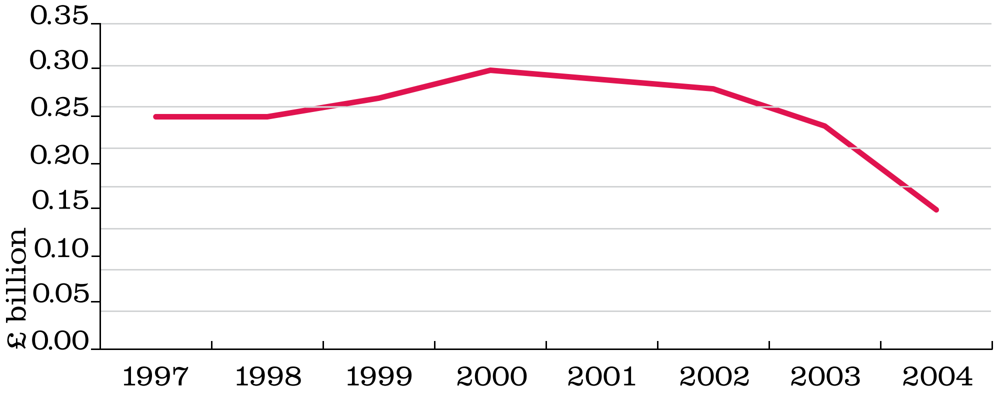
GVA for music sector
£ billion 1997 – 2004



Creative employment in music
thousand(s) 1997 – 2004



Exports for music sector
£ billion 1997 – 2004



Limitations

The music industry is a fast moving sector and standard measurement techniques struggle to keep up with technological changes, such as the increasing importance of new media. In particular this comes through in the music exports data where downloads are not accounted for. There are further definitional issues for this export data as it measures services and not goods, meaning total industry exports are likely to be underestimated.

Alternative data sources and information

Creative and Cultural skills, the sector skills council for this sector, carried out their own analysis of national survey data in 'The Footprint: A baseline survey of the creative and cultural sector' [2006]. This included GVA and employment estimates for the music sector. Their definition includes substantially more industrial classifications[47] than DCMS consider and methodological differences also create a higher value than DCMS estimates. They found:

– GVA of £6.1bn for 2004.
– Total creative employment of 95,010 in 2004.

Frontier Economics' assessment of the music industry for DCMS[48] suggested the sector is highly vertically integrated, with most of the major and independent record labels undertaking production, manufacturing, marketing and distribution activities. Online marketing and distribution has ever increasing importance as the primary route to sales. Weekly single track download sales are approaching 1.5 million per week.[49]

There are four major record companies – Universal Music, Sony BMG, EMI Music and Warner Music. Between them, they account for around 80 per cent of recorded music sales. Independent record companies account for the remaining 20 per cent.[50]

Issues

Key issues, opinions and discussion points raised by industry representatives during summits and discussions through the CEP and beyond:

– The launch of major online retailers including iTunes and Napster, resulting in substantial increases in online music sales via downloads with the consequence that the industry needs to continue to adapt and refine new online business models.

– The risks associated with physical and online piracy and confusion amongst consumers about the role of IP.

– The growth of the live music industry, and its increasing importance as a major income generator for creators/artists/promoters.

– The slowing down of the overall export market because greater focus has to be placed on sustaining local markets.

– The need for more rehearsing, performing and recording facilities at grass roots level (as identified by the Live Music Forum's work which considers more use should be made, for example of local authority – owned spaces and education establishments outside school hours).

– The extent to which improvements in diversity in the industry could make the sector more successful, for example by increasing the competitiveness of UK urban artists in the US where the urban music genre is more prominent than in the UK.

Performing arts

Description: The activities of the performing arts industry are defined as content origination, performance production, live performance of dance, drama, music-theatre and opera, touring, costume design and making, and lighting.[51]

Measurement and limitations of data collection: Using official Government statistics it is not possible to easily separate the performing arts from the music sector. This is because there is significant crossover in the classifications relevant to both sectors and it is therefore impossible to identify firms specifically within performing arts in official national survey data.

Size: In 2006, the headline figures for the combined sectors of performing arts and music were recorded as GVA of £3.6bn in 2004 and total creative employment of 236,300 in 2005. More information and trend graphs to be found in the music industry snapshot.[52]

Alternative data sources and information

Creative and cultural skills carried out their own analysis of national survey data in 'The Footprint: A baseline survey of the creative and cultural sector' [2006].[53] This included GVA and employment estimates for 'The Arts' sector which they define as visual, performing and literary arts. This definition includes substantially more industrial classifications than DCMS consider and methodological differences also create a higher value than DCMS estimates. They found:
– GVA of £8.7bn for 2004.
– Total creative employment of 186,580 in 2004.

The DCMS Taking Part Survey provides information on how people interact with DCMS sectors. The first annual publication[54] showed that for 2005/06:
– 26 per cent of adults attended a theatre performance (excluding plays or dramas).
– 23 per cent attended a play or drama.
– 4 per cent attended an opera or operetta.
– 4 per cent attended a ballet.
– 2 per cent attended a contemporary dance event.

Structure of the industry

The activities of the performing arts industry relate to the commissioning of new and existing work and the production and performance of live shows as well as the casting, marketing and technical aspects of the shows. Types of performing arts include:
– dance
– drama
– musicals
– opera.

Issues

Key issues, opinions and discussion points raised by industry representatives during summits and discussions through the course of the CEP and beyond:

- Skills and workforce development is an issue for the sector:
  - In the arts, education roles are hardest to fill. There is indication that education staff shortages are primarily in the performing arts sector. This is supported by the growing importance of the artist as an educator.
  - Recruits are considered to be qualification rich but skills poor.
  - Management positions have the highest skills gaps.
  - As well as management being a skill missing from the industry, management roles are also most likely to lack specific skills. Managers, in general, customer service and finance and accounting skills. Technical skills are also lacking in many organisations

- Infrastructure – performing arts, and in particular dance, require space for a mass of people to rehearse and perform, for the public to participate in and for new works to be created. London remains the key place because it has this infrastructure while regionally there are still gaps.

- Performer's health – this is an issue for the dance sector mainly, with injury costing the subsidised sector money as dancers are unable to perform for extended periods.

- Values and business skills – many organisations in the performing arts are vision driven by the quality of their art – and not profit driven; as a result, many people in the industry are highly qualified but poorly paid.

– The performing arts sectors are more reliant on Government funding than others in the creative industries and have highlighted the importance of this funding. However many organisations are non-profit and therefore use models which are similar to charities which can hold them back and make them more risk averse. If this could be changed then it would allow financial support from a range of different investors.

– There is a clear diversity issue in this industry especially in terms of those from BME groups reaching the higher levels of leadership, and also in terms of audience development.

– A challenge for the performing arts sector is to exploit the opportunities offered by broadcast and new technology. In order to fulfil their central role at the heart of the UK creative economy, the sector will need to develop new distribution strategies which maximise the impact of, and access to their work and artistic resources. Technology is a 21st century resource to extend audience engagement, artistic ambition and creativity.

– Within the performing arts sector, and specifically within music, a new kind of organisation is emerging. Typically it combines a range of public services including promoting performances, supporting artists to develop at different stages in their career, creating new work, providing education and training and coordinating provision across a wide geographical area.

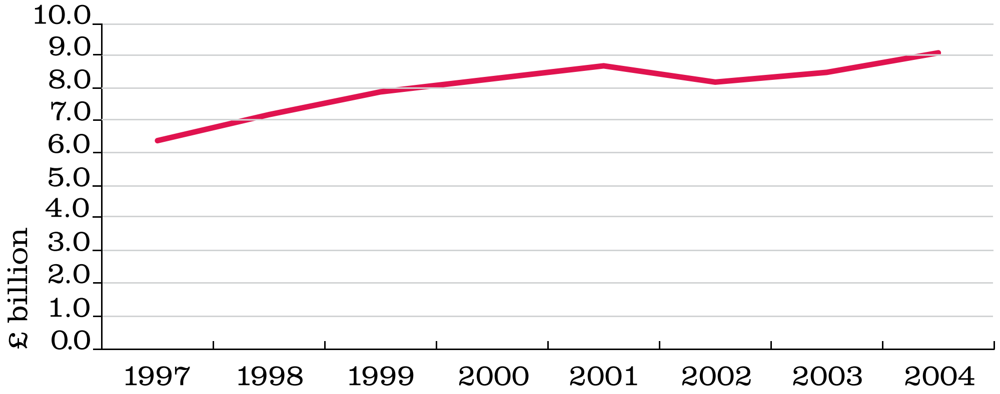
– We are beginning to see new alliances and funding partnerships in the performing arts sector. These can include formal relationships between a large scale organisation and a major HE institution or a broadcast relationship with a new media distribution platform.

Publishing

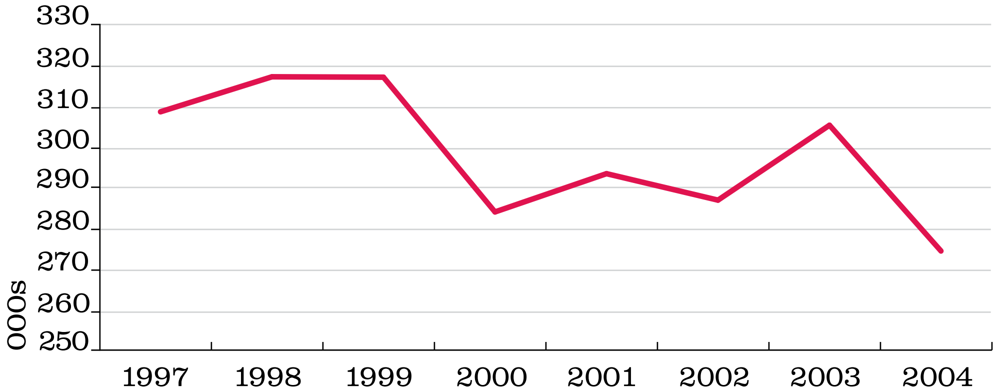
Description: The activities of the publishing industry are defined as origination, book publishing, learned journal publishing, newspaper publishing (national and regional), magazine publishing (consumer, business to business and customer) and digital content publishing.[55]

Size: In 2006 the following figures were recorded for the publishing sector:[56]
– GVA of £9.2 billion in 2004.
– Total creative employment of 253,300 in 2005.
– Exports of £1.5 billion in 2004.
– 6,700 businesses in 2005.

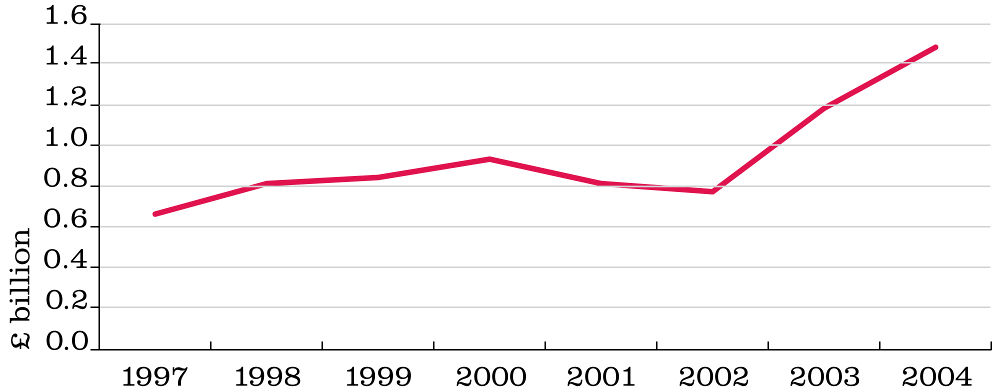
GVA for publishing sector
£ billion 1997 – 2004



Creative employment in publishing
thousand(s) 1997 – 2004



Exports for publishing sector
£ billion 1997 – 2004



Alternative data sources and information

The UK has the largest publishing industry in Europe, with around 3,000 more firms than Germany, the next largest market in Europe.[57]

Frontier Economics 'Comparative Analysis of the UK's Creative Industries' 2006, which was a report to DCMS, presented the following information:

- The worldwide journals market is estimated at £5bn–£7bn, and involves around 17,500 publishers and 35,000 journals based on data from The Publishers Association. They also estimate that the UK has around 25–30 per cent of the world market, with a total turnover of £1.5bn–£2.0bn. Exports account for 60–75 per cent of sales for most journals, and for some, the figure will be as high as 85 per cent.

- The industry is characterised by a small number of relatively large firms, with large chains (such as Waterstones) contributing 43 per cent of all books sales by value.[58]

- Over 180,000 new titles were published in the UK in 2005 (including 120,000 for the consumer market). In total, there were almost 2 million titles in print.[59]

- Most national newspapers have seen circulations decline in recent years. Over the past three years, only *The Independent* has managed to increase its readership, and it remains the smallest of the major players.

- There are almost 1,300 regional newspapers in the UK. They are read by 84 per cent of the adult population, according to the Newspaper Society, which is more than the 70 per cent who read national newspapers.

Issues

Key issues, opinions and discussion points raised by industry representatives during summits and discussions through the CEP and beyond:

- Open access to information via the internet is impacting on business models of academic publishers.

- A ‘long tail’ of small publishers is becoming increasingly significant, while user-generated content is also growing.

- The move from print to digital is impacting on the skills needs of the industry. Publishers require expertise in both fields in order to make the transition, meaning they need the ability to run what are essentially two businesses at the same time.

- Publishing is a fast-changing sector. This makes it difficult to pull together with a single voice, although there are some alliances.

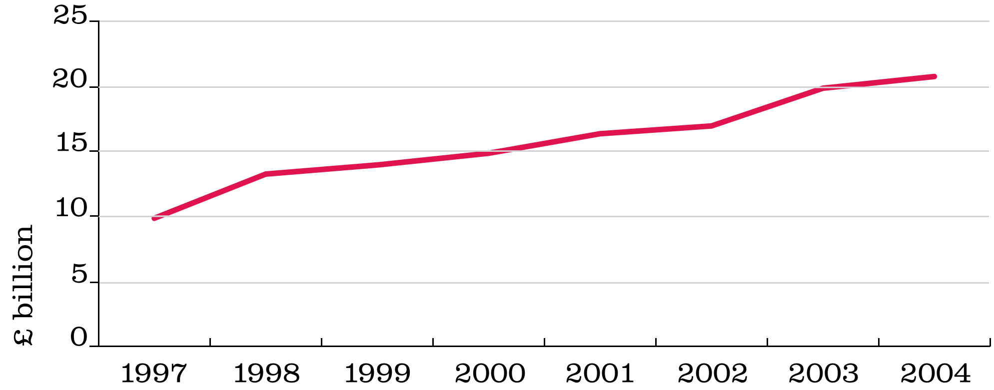
Software and computer services

Description: The activities of the Software and Computer Services industry are defined as development of system software, contract/bespoke software and turnkey solutions, systems integration, systems analysis and design, software architecture and design, project management and infrastructure design.[60]

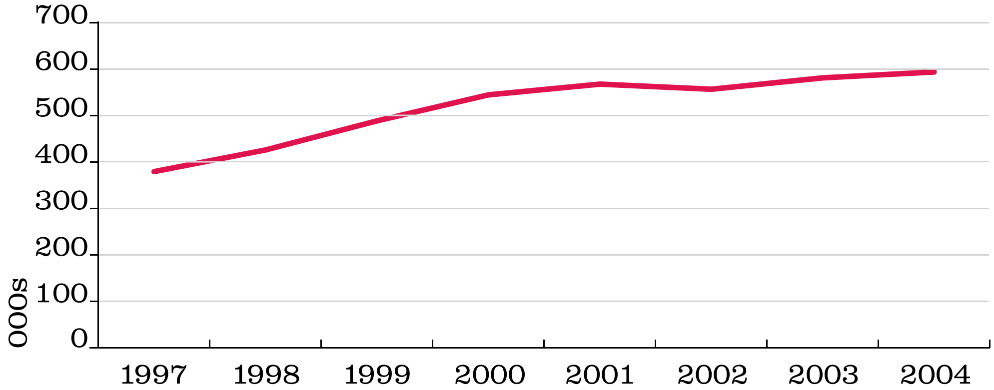
Measurement: Activity in this sector is measured using data for publishing of software, other software consultancy and supply and a proportion of reproduction of computer media.[61] Using official Government statistics it is impossible to separate out software from computer games or electronic publishing and the figures set out here include all of these sectors".[62]

Size: In 2006 the following figures were recorded for the Software and Computer Services sector.[63] All figures are for software, computer games and electronic publishing combined:
– GVA of £20.7 billion in 2004.
– Total creative employment of 596,800 in 2005.
– Exports of £4.7 billion in 2004.
– 51,200 businesses in 2005.

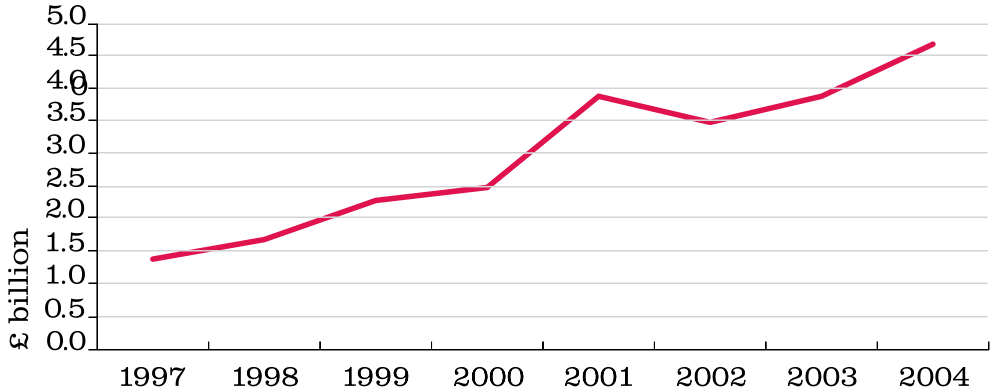
GVA for software sector
£ billion 1997 – 2004



Creative employment in software
thousand(s) 1997 – 2004



Exports for software sector
£ billion 1997 – 2004



Alternative data sources and information

– Financial services are the UK's largest consumers in this sector, commanding 23 per cent of spending on software and 33 per cent of spending on computer services – a total of over £10bn in 2003.[64]

– At the end of 2005 there were around 10 million broadband internet subscribers in the UK with availability to 99.8 per cent of the population.[65]

Structure of the industry

The Software and Computer Services supply chain can be broken down into three stages:[66]

Development: Software is developed either for bespoke use – designed to fit the particular needs of a customer – or for off-the-shelf use, eg Microsoft's Office package. Software development is closely linked to the computer hardware industry, as software must be designed specifically to the hardware on which it will be installed.

Systems design: Designing large and complex business IT systems requires expertise, and a consultancy industry has arisen from this requirement. Large international consultancies like Accenture specialise in providing IT solutions and advice on information management to large organisations.

Retail and implementation: Computing customers will draw on a range of sources to complete their overall package – acquiring hardware and software through retailers, resellers or via IT consultancies.

Issues

Key issues, opinions and discussion points raised by industry representatives during summits and discussions through the CEP and beyond:

- A poor state of pull-through in the education system. There is a focus on ICT skills, but more needs to be done in secondary education to attract the mathematicians, physicists, etc that the industry needs.[67]

- A shortage of appropriate skills. Because the industry is evolving so quickly, GCSEs and University degrees cannot necessarily provide students with the right skills. Re-skilling and up-skilling those already in work are also issues for the software and computer services industry, where SMEs do not have the capacity to train their workforce.

- The industry currently lacks a connection to allow quick communication. It has been suggested that the key to success in the software and computer services industry is to be fast to the market.

- The importance of upgrading infrastructure. Some parties feel there are insufficient incentives to invest in next generation broadband.

- Offshoring and outsourcing pose major competitiveness, skills and other challenges for the UK. As well as cheap labour, the skills capabilities of emerging economies are accelerating. Offshoring may be interrupting some traditional IT career pathways in the UK – displacing some entry-level jobs and skills acquisition. There is a need to make sure that there are conditions for businesses to develop top-flight skills in the UK and exploit global sourcing.

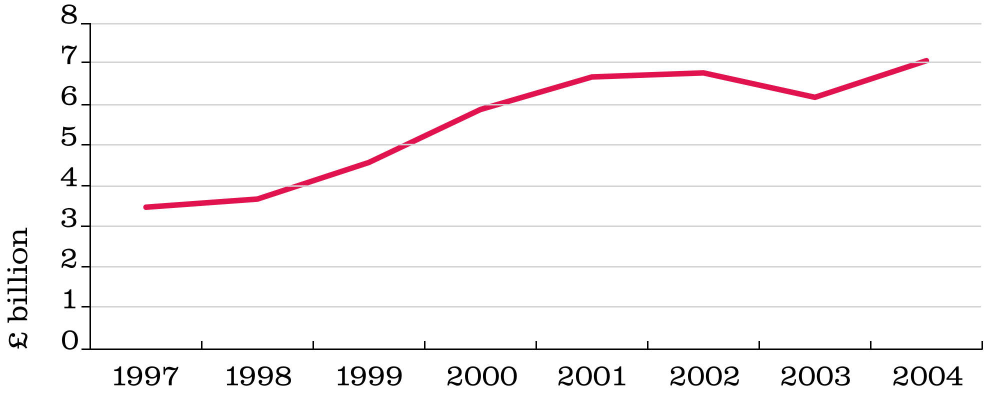
Television and radio

Description: The activities of the TV and radio sector are defined as production, programme and packaging (libraries, sales and channels), broadcasting (scheduling and media sales) and transmission.[68]

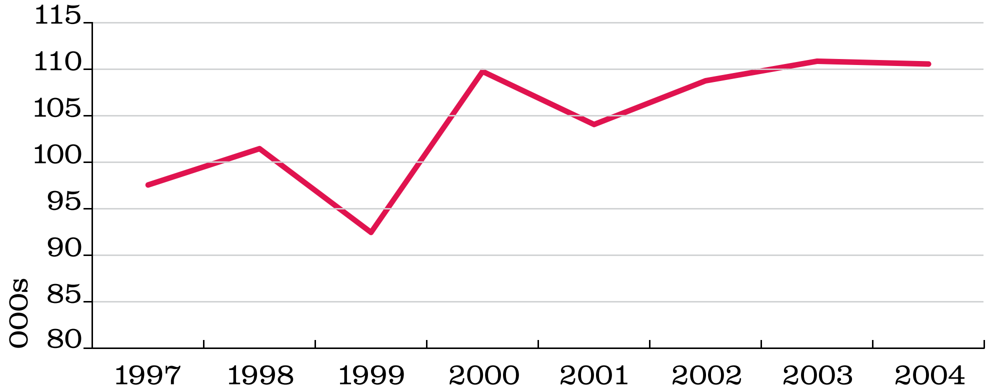
Measurement: For producing DCMS statistics this sector is well defined and easy to identify in national survey data with a catch-all industrial category of 'Radio and TV activities'.[69]

Size: In 2006 the following figures were recorded for the TV and radio sector:[70]
– GVA of £7.1 billion in 2004.
– Total creative employment of 108,700 in 2005.
– Exports of £1.3 billion in 2004.
– 4,400 businesses in 2005.

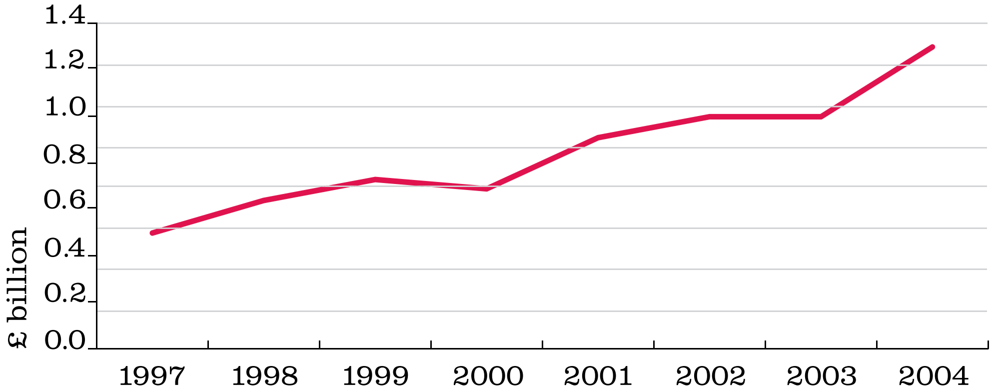
GVA for TV and radio sector
£ billion 1997 – 2004



Creative employment in TV and radio
thousand(s) 1997 – 2004



Exports for TV and radio sector
£ billion 1997 – 2004



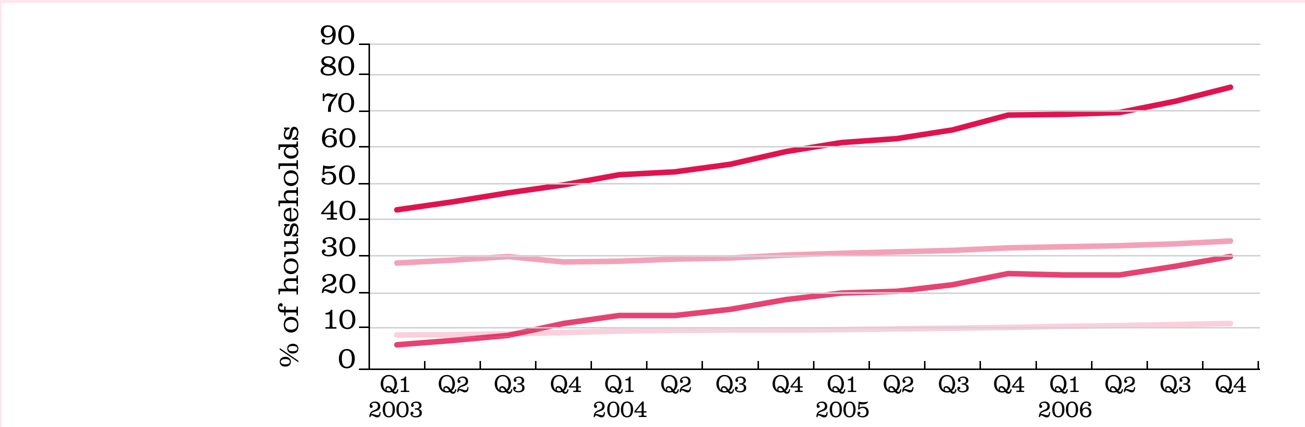
Alternative data sources and information

Ofcom provide quarterly data on the take-up of digital television:[71]

– During quarter 4 2006, the number of households with digital TV equipment connected to their main television set rose by around 1 million to reach over 19.5 million. The total number of homes receiving multi-channel television at the end of quarter 4 2006 stood at 78.6 per cent.

– Over 2.4 million Digital Terrestrial Television (DTT) units were sold during the quarter, meaning sales have now exceeded the million mark for each of the last six quarters. Year on year, quarter 4 2006 sales were 24 per cent higher, assisted by growing take-up of integrated digital televisions (IDTVs), with sales exceeding 1million in quarter 4.

Take-up of digital television



Structure of the industry

The supply chain for TV and radio can be divided into three stages:[72]

- **Production:** Programmes for TV and radio come from one of two sources: in-house productions and external productions. In-house production teams are vertically integrated with the broadcaster who commissions the programmes. External productions are commissioned or acquired from independent production companies or other broadcasters/ studios and legislation is in place to ensure a minimum level of competition in the production sector, setting public service broadcasters minimum quotas for independent programme production.

- **Broadcasting:** UK TV and radio is a mixed economy. There are public service broadcasters: the BBC funded through the television licence fee; S4C – the Welsh Fourth Channel, grant-aided by DCMS and benefiting from some BBC programming; Channel 4, a non-profit distributing public corporation funded by advertising; ITV1 and Channel 5, commercial broadcasters with some public service broadcasting responsibilities. And there are purely commercial television broadcasters funded either by advertising and sponsorship, or subscription, or a mix. There are also BBC and commercial public service text services. Commercial radio is funded by advertising and sponsorship.

- **Consumption:** The most common TV platform for main TV sets is terrestrial (land-based transmitter to an aerial) at 51.8 per cent of the platform share as at quarter 4 2006,[73] and these sets are moving from analogue to digital. Satellite share of main sets was 34.7 per cent, with the large majority of viewing on a subscription basis. Cable was 13.5 per cent.

- Radio can also be listened to in a variety of formats. Analogue terrestrial is almost ubiquitous. By quarter 4 of 2006, 16 per cent of the adult population lived in households with DAB digital radio, 38.9 per cent had listened to radio via TV, 22.2 per cent had listened via the internet, and 17.4 per cent of MP3 owners listened to radio programme ‘podcasts’.[74]

– Traditionally TV and radio were two clear and very separate entities. Rapidly increasing competition, and 'convergence' between platforms (which sees, for example, radio stations also available via digital TV and the web), is blurring the boundaries between TV, radio and other forms of content delivery such as mobile phones, portable devices, and the internet. Traditional TV and radio are still by far the most popular formats to access broadcasters' output – but it is not yet clear whether or for how long this will remain the case.

Issues

Key issues, opinions and discussion points raised by industry representatives during summits and discussions through the course of the CEP and beyond:

– The switchover to digital television will release spectrum and bring increased opportunities to industry. This is likely to increase the current proliferation of services, allowing current players to expand but also spreading advertising revenues more thinly.

– The relationship between broadcasters and their audiences is evolving, with users increasingly generating content and expecting services on-demand across a range of platforms.

– The extent to which current public service broadcasting obligations and current regulation covering broadcasting will need amending to take account of the above changes. The Government is committed to a 'funding review of public service broadcasting' towards the end of digital switchover if not earlier, and Ofcom is taking forward several work strands to consider the future of public service television broadcasting and of radio.

Video and computer games

Description: The activities of the sector are defined as games development, publishing, distribution and retail.[75]

Measurement: Being a relatively young sector, it is not possible to use official Government statistics to measure the size of the games sector. This is because it is impossible to identify relevant firms in official national survey data. DCMS does not produce an estimate for the size of the games sector for this reason.[76]

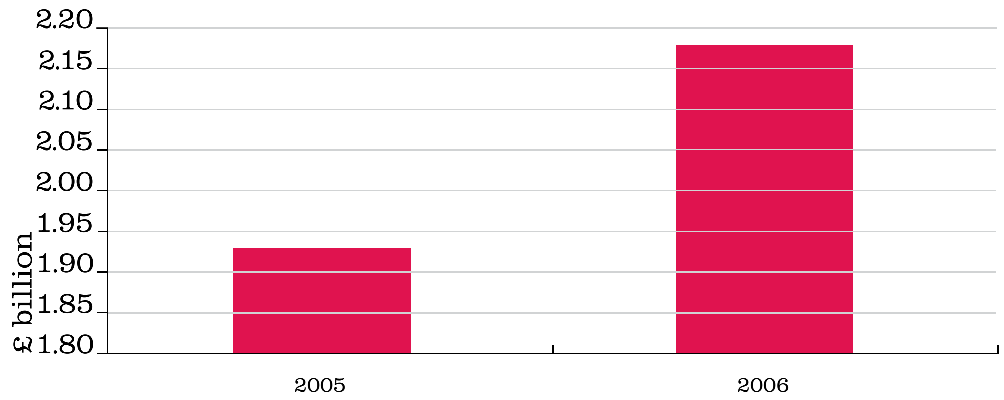
Limitations of data collection: For the purposes of central Government data collection (Creative Industries Economic Estimates) games has no distinct category and is included in the bigger classification of 'Software, Computer Games & Electronic Publishing'. Data for this classification can be found in the software industry snapshot pages.[77]

Alternative data sources and information: Alternative data provided by Entertainment Leisure Software Publishers Association (ELSPA) is presented in the section below but it should be noted that this is indicative, not necessarily endorsed by DCMS and not comparable to any of the other sectors.

ELSPA collects its own statistics on the size of the UK games sales market[78] and other information.

– ELSPA found that in 2006, sales of console, PC and handheld games software, console hardware, and console and PC gaming peripherals in the UK totalled £2.18 billion.[79]

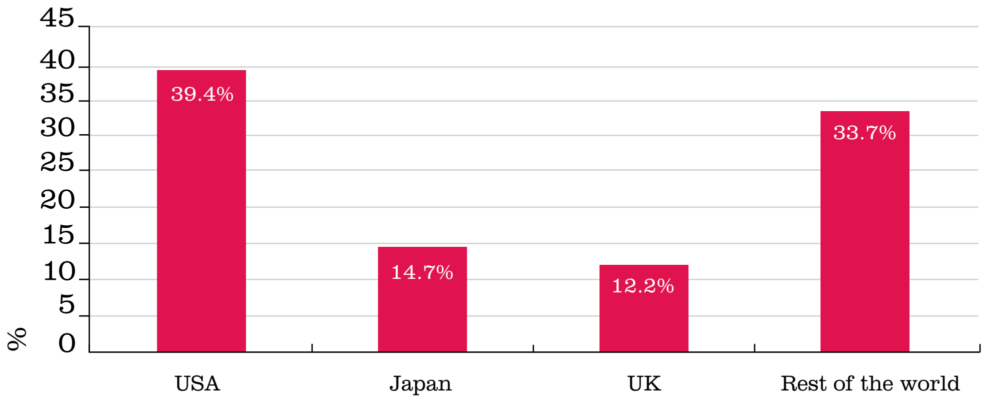
UK gaming related software and hardware sales
2005 – 2006



Source: ELSPA

– This makes the UK the 3rd largest sales market in the world after the US and Japan for games with 12 per cent of global sales.

UK share of world games software sales



Source: ELSPA

– The UK has the largest games development community in Europe.[81]

– In 2004 the games market continued to make a positive contribution to the UK trade balance of £280m.[82]

– Proprietary console hardware platforms are developed by large international companies. The market is lead by Sony (PS3 and PSP), Nintendo (DS and Wii) and Microsoft (Xbox 360); Sony is the UK market leader, with its Playstation format commanding around 70 per cent of software sales during the PS2/Xbox cycle.

– New consoles are released on average every 5 years. The console cycle makes the industry quite volatile and reliant on learning new technical skills. Since the introduction of Playstation1 in 1995 the team sizes needed to build a console game have roughly doubled with the introduction of the new hardware (Playstation1 10–15 developers, Playstation2 20–30 developers, Playstation3 50–120+ developers).

– PC gamers remain an important element of the market and in the last couple of years, mobile phone manufacturers and network providers have targeted the games market to add to the revenue generation by mobile communication.

Issues

Key issues, opinions and discussion points raised by industry representatives during summits and discussions through the CEP and beyond:[83]

– The rising cost and complexity of games development is leading to increasing pressure to consolidate both independent teams and publishing companies and is making it harder for smaller independent production companies to break into the console market.

– The growing prominence of online subscription gaming and digital retail may change the face of retail in the industry.

– There is a strong need for business and project management skills in games development, particularly in light of the pace of change in the sector and the need to reduce development costs.

– Businesses need to target and engage a more diverse cross section of consumers.

– Overseas governments offering incentives to games companies threaten the creative base and strength of the UK industry.

– The need for greater understanding of the value of intellectual property to the industry.

Notes

Annex

1 This is the definition set out by the 2001 Creative Industries Mapping Document. The 2001 Mapping Document refers to the video games sector as 'Interactive Leisure Software'.
2 Gross Value Added (GVA) is a measure of economic activity commonly used to assess the contribution of an industry to the national economy.
3 The Pembridge/BOP Model (which segments into originals/content/services/experiences) and the London Business School model (which segments into process, product and media businesses).
4 All figures in the bulletin relate to the UK, except employment which is for the UK only. Exports figures are primarily sourced from 'International Trade in Services' (ONS) and as such will not include exports of certain goods within the creative industries (particularly in the music sector).
5 This is how the 2001 Creative Industries Mapping Document defines the advertising industry.
6 The 2006 DCMS Creative Industries Economic Estimates bulletin records these figures. Activity in this sector is measured using data for advertising which is Standard Industrial Classification 74.40.
7 'The Competitive Position of London as a Global Advertising Centre' 2007.
8 Ibid.
9 The 2001 CIs Mapping Document defines the architecture industry in this way.
10 For the architecture industry we take SIC code 74.20. Only a proportion (25 per cent) of activity in this whole field is included in our measurement.
11 The 2006 DCMS Creative Industries Economic Estimates bulletin records these figures.
12 Frontier Economics 'Comparative Analysis of the UK's Creative Industries' 2006.
13 Aedas Architects website, www.aedas.com
14 This is how the 2001 Creative Industries Mapping Document defines the sector.
15 Standard Industrial Classifications 52.50 and 52.48.
16 The 2006 DCMS Creative Industries Economic Estimates bulletin records these figures.
17 Note that the exports figure for this sector is not taken from the same source as for the other measures. This is because there are sample size/methodology issues with ONS export data in this area. Instead, DCMS uses the export estimate of the Antiques Trade Gazette which carries out analysis of HM Revenue and Customs data. This only covers exports to non-EU countries. Note that an export figure greater than GVA is possible as the export figure values sales revenue whereas GVA removes the value of inputs.
18 The European Fine Art Foundation 'The European Art Market in 2002' [2002].

19 Taken from the Antiques Trade Gazette. This is the same source as is used to estimate exports in the Creative Industries Economic Estimates bulletin, but this figure relates to 2006, whereas exports to 2005.

20 The 2001 Creative Industries Mapping Document describes the sector in this way.

21 This survey is the Annual Business Enquiry (ABI).

22 The figures were recorded in the Creative Industries Economic Estimates 2006.

23 Frontier Economics 'Comparative Analysis of the UK's Creative Industries' 2006.

24 This is how the 2001 Creative Industries Mapping Document defines the design sector.

25 No industrial classification codes for this sector were identified following publication of the Mapping Document. Therefore, figures from an alternative source have been used to date in the Economic Estimates bulletin. The BDI survey has been able to provide a consistent annual series on which to base analysis of trends, but due to limitations identified here, its use will be reviewed for future editions.

26 Based on Standard Occupational Classifications in the Labour Force Survey, ONS.

27 Due to overlaps between different parts of the industry the breakdown sums to more than the £11.6bn total. Note that this is turnover and not Gross Value Added (GVA), which is used for the majority of other sectors.

28 For the other sectors in-house teams working in firms outside the specified creative industry would not be included so the turnover and employment figures are not comparable to other sectors.

29 This figure includes those working in the designer fashion industry also.

30 Gross Value Added (GVA) is a measure of economic activity commonly used to assess the contribution of an industry to the national economy. This is how most of the creative industries are measured.

31 As well as design consultancies they include in-house design teams and freelancers.

32 Design Council's 'Design in Britain 2005–06'.

33 Design Council's 'Design Industry Research: International Competition' 2007.

34 These are issues raised by industry representatives and do not necessarily reflect the opinions of DCMS.

35 For example, The Design Council, collaborating with NHS patients, the Bolton Diabetes Network and Kent County Council, have developed new and more effective ways to manage chronic disease.

36 The 2001 Creative Industries Mapping Document defines the designer fashion industry in this way.

37 This data is recorded in the Creative Industries Economic Estimates using Standard Industrial Classifications 17.71, 17.72, 18.10, 18.21, 18.22, 18.23, 18.24, 18.30, 19.30 and 74.87.

38 The latest figures are recorded in the 2006 Creative Industries Economic Estimates.

Notes

39 Employment in designer fashion industries as defined above is estimated at 3,400 in 2005. However, the estimate of total creative employment includes both fashion and non-fashion designers working in creative occupations outside firms in the creative industries. Therefore it is presented as a combined Design & Designer Fashion estimate in the statistical bulletin.

40 DTI 'A Study of The UK Designer Fashion Sector' [2003].

41 This figure is quoted in the Creative Industries Economic Estimates.

42 This is how the 2001 Creative Industries Mapping Document defines the film sector.

43 Standard Industrial Classifications 92.11, 92.12 and 92.13 for film, a proportion (25 per cent) of 22.32 for video, and a proportion (25 per cent) of 74.81 for photography. Photography is included as it is a related creative activity defined in the Mapping Document that fits best into this sector for measurement purposes.

44 The 2006 DCMS Creative Industries Economic Estimates records these figures.

45 The 2001 Creative Industries Mapping Document defines the sector in this way.

46 Government data for these combined sectors is recorded in the Creative Industries Economic Estimates and is measured using data for publishing of sound recordings, artistic and literary creation and interpretation and operation of arts facilities along with proportions of reproduction of sound recordings and entertainment and recreational activities not elsewhere classified. They use Standard Industrial Classifications 22.14, 92.31 and 92.32, and proportions of 22.31 (25 per cent), 92.34 (50 per cent) and 92.72 (25 per cent).

47 Such as including manufacture of musical instruments, wholesale of audio and TV, radio and hi-fi manufacture.

48 Frontier Economics 'Comparative Analysis of the UK's creative industries' 2006.

49 BPI 2006.

50 BPI 2005.

51 This is how the 2001 Mapping Document defines the sector.

52 The Creative Industries Economic Estimates record these figures for music and performing arts sectors combined.

53 It should be noted that the CCSkills data is indicative, not necessarily endorsed by DCMS and not comparable to any of the other sectors.

54 DCMS 'Taking Part: The National Survey of Culture, Leisure and Sport Annual Report 2005/06' [2007].

55 The 2001 Creative Industries Mapping Document defines this sector in this way.

56 The Creative Industries Economic Estimates recorded these figures. Activity in this sector is measured using data for publishing of books, newspapers, journals and periodicals, news agency activities and a proportion of other publishing activities.

57 EU Commission, NACE [2004].

58 Based on the Competition Commission's assessment of the market.

59 Based on the Competition Commission's assessment of the market.

60 The 2001 Mapping Document defines them in this way.

61 Standard Industrial Classifications 72.21, 72.22 and a proportion (25 per cent) of 22.33.

62 It should be noted that computer games and electronic publishing are very small as a proportion of this sector.
63 The 2006 DCMS Creative Industries Economic Estimates bulletin records these figures.
64 UK Trade & Investment.
65 DTI 'UK Broadband Status Summary March 2006'.
66 Frontier Economics 'Comparative Analysis of the UK's Creative Industries' 2006.
67 Government has made major policy commitments to increasing the supply of science, technology, engineering and maths (STEM) skills to the workforce, such as actions in the Science and Innovation Framework Next Steps, the DTI/DfES STEM Programme Report published in October 2006.
68 This is how the 2001 Creative Industries Mapping Document defines the TV and radio sector.
69 Standard Industrial Classification 92.20.
70 The 2006 DCMS Creative Industries Economic Estimates records these figures.
71 Ofcom Digital Television Update - Q4 2006.
72 Frontier Economics 'Comparative Analysis of the UK's Creative Industries' 2006.
73 Ofcom Digital Television Update - Q4 2006.
74 Ofcom 'The Future of Radio' 17 April 2007.
75 The 2001 Mapping Document refers to the games sector as 'interactive leisure software' and defines its activities in this way.
76 Data collection arrangements are set to change following the revision exercise for the Standard Industrial Classifications (2007). A new code (58.21) will be introduced at an EU wide level for 'Publishing of computer games' – as a result of Government negotiations. This will come into full effect in data published in 2009.
77 It should be noted that games are small as a proportion of this measurement.
78 Note that sales figures are not directly comparable to turnover or GVA figures that are found elsewhere in the snapshots.
79 Chart Track/ELSPA.
80 ELSPA.
81 ELSPA.
82 Frontier Economics 'Comparative Analysis of the UK's Creative Industries' 2006.
83 These are issues raised by industry representatives and do not necessarily reflect the opinions of DCMS.