

# Creative Industries Economic Estimates Statistical Bulletin

July 2003



## Introduction

The 2001 Creative Industries Mapping Document<sup>1</sup> noted the particular challenge of measuring the creative industries.<sup>2</sup> It contained an undertaking to consider how to provide more timely and consistent data on the activity of the Creative Industries. This bulletin is the result of development work on official data sources following from this commitment.

## Notes on interpretation of the figures

Due to the practical challenges of measuring the Creative Industries<sup>2</sup>, the figures throughout the bulletin are estimates. For this reason they are not classed as National Statistics. All readers should be aware that:

1. All figures are estimates since they draw on fixed assumptions of the correspondence between the definitions of the Creative Industries and the definitions used in official sources. These are shown in Annex A.
2. As far as possible National Statistics (NS) sources are used as the basis for estimates<sup>3</sup>. Where NS data are not available, other research is used. This may not have been subjected to the same quality checks as National Statistics data. It follows that these estimates, and the overall totals which include necessarily these estimates, may not be as reliable as National Statistics.
3. With the exception of the counts of number of businesses, sources are sample surveys. Therefore too much emphasis should not be placed on fluctuations in the figures.
4. Employment figures are for Great Britain, while other sources are for the UK.

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<sup>1</sup> [http://www.culture.gov.uk/global/publications/archive\\_2001/ci\\_mapping\\_doc\\_2001.htm](http://www.culture.gov.uk/global/publications/archive_2001/ci_mapping_doc_2001.htm)

<sup>2</sup> The classifications used by international convention for official statistics do not reflect the structure of the Creative Industries well. As such it is difficult to capture the full extent of the activity in the Creative Industries. Still, given these constraints, the estimates are the best possible given availability of data.

<sup>3</sup> This ensures consistency and hence comparability between sectors. Furthermore National Statistics sources are regular outputs and so permit valid comparisons over time and will continue to be available in the future.

## 1. Contribution to the economy – Gross Value Added (tables 1a and 1b)

- The Creative Industries accounted for 8.2% of Gross Value Added (GVA) in 2001.
- The Creative Industries grew by an average of 8% per annum between 1997 and 2001.<sup>2</sup> This compares to an average of 2.6% for the whole of the economy over this period.
- Radio and TV has grown most quickly (average 17% per annum over 1997-2001), while two other sectors also showed growth above the average for the sectors: Advertising (+14% p.a.) and Software (+10% p.a.).

## 2. Exports (table 2)

- Exports by the creative industries contributed £11.4 billion to the balance of trade in 2001. This equated to around 4.2% of all good and services exported.
- Exports for the creative industries grew at around 15% per annum over the period of 1997-2001.<sup>4</sup> By comparison, over the same period the value of all services exported grew by 7% per annum, while all goods and services combined grew by 4%.

## 3. Employment (table 3)

In June 2002, creative employment totalled 1.9 million jobs. This comprised 1.1 million jobs in companies in the creative industries. There was a further estimated 800,000 creative jobs within companies outside the creative industries.

Total creative employment increased from 1.6m in June 1995 to 1.9m in June 2002. Over the period 1997-2002, employment in the creative industries grew at a rate of 3% per annum, compared to 1% for the whole of the economy.<sup>5</sup>

The sectors which have shown increases in employment above average for the whole of the creative industries in 1997-2001 were: Software etc (+8% p.a.), Design including fashion (+7%), Film, Video and Photography (+5%).

## 4 Numbers of companies (table 4)

In 2002, there were around 122,000 companies in the Creative Industry sectors on the Inter-Departmental Business Register (IDBR). It is estimated that the IDBR covers over 99%<sup>6</sup> of all economic activity.

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<sup>4</sup> Based on 9 of the 13 creative industries data for which trend data are available

<sup>5</sup> Total employment figures for the whole economy taken from Spring quarters (March to May)

<sup>6</sup> IDBR – 2002 (PA1003)

Nearly three quarters of these enterprises are accounted for by 2 sectors: Software and Electronic publishing (56,000 enterprises), and Music and the visual and performing arts (32,000 enterprises).

The 122,000 companies represent around 7.6% of all enterprises on the IDBR<sup>7</sup>. The true proportion of enterprises that are in the Creative Industries is likely to be higher as certain of its sectors - eg craft - are predominantly small businesses. Businesses are included in the IDBR if they are above the VAT threshold or if they register voluntarily for VAT, and many do if they run a PAYE scheme.

## Revisions to estimates published in July 2002

There are a number of revisions and one correction to figures released in the prototype Creative Industries Economic Estimates in July 2002:

Designer fashion – For this publication it was assumed that 2.5% of the businesses covered by SIC 74.84 are in the designer fashion sector. Consequently estimates for designer fashion are lower than published in 2002. This follows discussion with DTI and it brings these estimates into line with research published in early 2003.

Gross value added (GVA) - The estimate for GVA of all creative industries for 2000 remains unchanged at 7.9% of the total GVA for all industries. However, there have been revisions to figures for individual industries underlying this total.

Exports - The estimate for exports of all creative industries for 2000 increased from 3.3% of all goods and services to 3.7% following the switch to a more complete data source for Art and Antiques exports.

Employment growth rates 1997-2001 - The growth rates for 1997-2001 published in July 2002 were overestimated due to a processing error discovered during the calculation of figures for this bulletin, e.g. the overall growth rate for the years of 1997-2001 was published as 5 per cent per annum but was in fact 4 per cent per annum.

## Note on comparison to Input Output analyses figures for GVA (tables 1a & 1b)

The Creative Industries Economic Estimates differ significantly from those produced alongside [National Statistics Input-Output analysis](#) which is based on products rather than industries.

The most significant difference occurs from the input-output analysis not taking account of the fact that large proportions of data produced under the standard classification systems are not the result of creative activity. This causes some overestimation, particularly since clothing is used in place of Designer Fashion, and also notably for Architecture. Finally, the totals of the analyses are also affected by the lack of official data for example for crafts and design. *Creative Industries Economic Estimates* uses the best available data for these which are industry estimates.

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<sup>7</sup> Compared to equivalent figure for all of IDBR (1.6m VAT-registered businesses), *IDBR - 2002*

**Table 1a - Contribution of Creative Industries to Gross Value Added**

	Advertising	Architecture	Video, film & photography	Music and the visual and performing arts	Publishing	Software, computer games, and electronic publishing	Radio and TV	Art & antique	Designer fashion	Crafts <sup>1</sup>	Design <sup>2</sup>	TOTAL
<b>Gross Value Added (£ million)</b>												
1997	3,400	3,100	1,900	2,700	6,500	9,800	3,500	100	280	n/a	n/a	n/a
1998	3,500	3,200	1,800	2,900	7,300	13,200	3,700	100	270	400	n/a	n/a
1999	5,500	3,200	2,100	3,100	8,000	13,900	4,600	200	300	n/a	n/a	n/a
2000	6,100	3,500	2,100	3,200	8,400	14,800	5,900	200	310	n/a	6,500	51,100
2001	6,400	3,700	2,200	3,200	8,900	16,000	7,300	200	320	n/a	6,700	54,800
<b>% of GDP</b>												
1997	0.6%	0.5%	0.3%	0.5%	1.2%	1.8%	0.6%	0.02%	0.05%	n/a	n/a	n/a
1998	0.6%	0.5%	0.3%	0.5%	1.2%	2.2%	0.6%	0.02%	0.05%	0.07%	n/a	n/a
1999	0.9%	0.5%	0.3%	0.5%	1.3%	2.3%	0.7%	0.03%	0.05%	0.07%	n/a	n/a
2000	0.9%	0.5%	0.3%	0.5%	1.3%	2.3%	0.9%	0.03%	0.05%	0.07%	1.0%	7.9%
2001	0.9%	0.5%	0.3%	0.5%	1.3%	2.4%	1.1%	0.03%	0.05%	0.07%	1.0%	8.2%

Source: DCMS based on Office for National Statistics Annual Business Inquiry except:

1. Creative Industry Mapping Document 1998

2. Turnover of Design Consultancies. Design Industry Valuation Survey, British Design Initiative.

These figures are used since, due to design not be separately identifiable in official sources, no GVA data is available. These figures may be an imprecise estimate of GVA for a number of reasons:

- i) Turnover is being used in place of GVA. A turnover figure will always be greater than a corresponding GVA figure.
- ii) Relevant to overall total figures, there may be some overlap in statistics with other of the creative industries.
- iii) However, by contrast, the figures will underrepresent all design activity since design within large companies is not distinguished in official statistics from companies' main business, e.g. design in production companies. N.B. All businesses' design-related expenditure was estimated at £26.7bn in 2000 in a study for the Design Council.

**Table 1b - Growth in GVA of the Creative Industries<sup>1</sup>**

estimated real<sup>3</sup> growth

	Advertising	Architecture	Video, film & photography	Music and the visual and performing arts	Publishing	Software, computer games, and electronic publishing	Radio and TV	Art & antique	Designer fashion	Crafts	Design	Total <sup>2</sup>
1997-1998	0%	3%	-9%	4%	8%	30%	3%	7%	-8%	n/a	n/a	12%
1998-1999	52%	-5%	13%	4%	7%	3%	20%	8%	7%	n/a	n/a	10%
1999-2000	9%	7%	2%	2%	2%	4%	26%	7%	2%	n/a	n/a	7%
2000-2001	3%	4%	0%	-4%	4%	6%	21%	9%	2%	n/a	1%	6%
Average 1997-2001	14%	2%	1%	1%	5%	10%	17%	8%	1%	n/a	n/a	8%

1. The caveat that 'too much emphasis should not be placed on fluctuations' (note on interpretation 3) is especially relevant to this table

Source: DCMS based on Office for National Statistics Inquiries

2. Based on 9 of the 13 creative industries data for which trend data are available

3. These estimates of growth were calculated from figures in table 1a with implied GDP deflator to remove the effect of inflation

**Table 2 - Exports of creative industries**

£ million

	1	2	7	9&10	11	8&12	13	3	6	4	5	TOTAL
	Advertising	Architecture	Video, film & photography	Music and the visual and performing arts	Publishing	Software, computer games, and electronic publishing	Radio and TV	Art & antiques <sup>1</sup>	Designer fashion <sup>2</sup>	Crafts <sup>3</sup>	Design <sup>4</sup>	
1997	680	380	700	250	680	1,400	500	n/a	n/a	n/a	n/a	n/a
1998	630	470	700	250	830	1,700	600	n/a	350	40	n/a	n/a
1999	560	410	700	270	860	2,300	700	1,400	n/a	n/a	n/a	n/a
2000	710	420	900	300	950	2,500	700	2,000	n/a	n/a	1,000	9,500
2001	730	520	900	290	830	3,900	900	1,900	390	n/a	1,000	11,400

Sources: DCMS based on Office for National Statistics Inquiries with the following exceptions:

1. Antiques Trade Gazette analysis of HM Customs and Excise data
2. Design Fashion Report 1998, A study of the UK designer fashion sector, 2003 (both for DTI)
3. Creative Industry Mapping Document estimate (1998)
4. Overseas fee income to British Design Consultancies, Design Industry Valuation Surveys, British Design Initiative

# Table 3 - Creative employment<sup>1</sup>

Great Britain

1. These data show the numbers of people employed in the creative industries or creative occupations in Great Britain. The coverage of these data is broader than for elsewhere in the bulletin. This is since, unlike for exports and GVA, it is possible to count jobs in creative occupations in companies which are classed as being outside of the Creative Industries, e.g. design engineers or graphic designers who work in a large company whose main activity is manufacturing.

	Advertising	Architecture	Crafts	Design & designer fashion	Film, video & photography	Music and the visual and performing arts	Publishing	Software, computer games, and electronic publishing	Television & radio	Art / Antiques trade	TOTAL est. for Creative employment in Great Britain
<b>Employment in Creative Industry companies</b>											
Jun-02	88,600	82,700	-	n/a	54,500	202,600	212,100	351,500	98,600	21,700	1,115,900
<b>Employment in creative occupations in businesses outside the Creative Industries</b>											
Jun-02	137,300	29,800	117,200	n/a	12,000	46,800	80,400	231,600	11,800	-	787,400
<b>Total Creative Employment</b>											
Jun-95	192,000	97,400	122,400	88,500	50,800	220,000	333,700	284,500	96,600	19,700	1,505,700
Jun-96	192,000	108,300	103,300	95,200	46,200	218,000	327,400	327,400	99,300	19,700	1,536,800
Jun-97	203,000	99,100	100,900	89,400	52,600	237,600	317,000	393,400	98,400	20,400	1,611,600
Jun-98	207,700	101,500	127,200	98,200	50,700	229,000	328,700	436,700	100,400	20,100	1,700,300
Jun-99	204,000	103,400	102,800	104,200	56,100	261,100	337,200	511,000	92,200	21,100	1,793,100
Jun-00	209,500	107,000	118,200	109,600	57,400	246,200	304,900	558,400	112,200	21,300	1,844,700
Jun-01	211,700	106,900	122,200	116,100	62,600	238,000	306,500	579,700	110,300	21,200	1,875,200
Jun-02	225,900	112,600	117,200	123,900	66,500	249,500	292,500	583,000	110,400	21,700	1,903,300
<b>Annual growth</b>											
1995-2002	2%	2%	-1%	5%	4%	2%	-2%	11%	2%	1%	3%
1997-2002	2%	3%	3%	7%	5%	1%	-2%	8%	2%	1%	3%
2001-2002	7%	5%	-4%	7%	6%	5%	-5%	1%	0%	2%	1%

Source: Analysis of National Statistics Labour Force Survey

**Table 4 - Numbers of VAT-based businesses in the creative industries**

	Advertising	Architecture	Art & Antiques	Designer Fashion	Video, film & photography	Music and the visual and performing arts	Publishing	Software, computer games, and electronic publishing	Radio and TV	TOTAL
1996	10,600	3,700	1,400	1,400	4,100	33,100	7,200	48,100	2,300	111,900
1997	10,400	3,800	1,500	1,400	4,800	32,600	7,000	49,500	2,300	113,300
1998	10,300	3,900	1,600	1,300	5,500	32,500	6,800	52,600	2,300	116,800
1999	10,000	4,000	1,700	1,300	6,000	32,200	6,800	55,700	2,700	120,400
2000	10,000	3,800	1,800	1,300	6,500	32,500	6,700	56,700	3,000	122,300
2001	10,100	3,700	1,800	1,300	6,800	32,600	6,700	56,100	3,400	122,500
2002	10,100	3,100	1,800	1,300	7,400	32,300	6,700	55,800	3,600	122,100

Source: Estimates based on Interdepartmental Business Register, Office for National Statistics

# Annex A – Mapping the Creative Industries to official data classifications

## 1. Assumptions for correspondence between Creative Industries and SIC codes

<u>Mapping document</u> chapter	<u>Sector</u>	<u>Standard Industrial Classification (SIC)</u>
1	Advertising	74.4 advertising
2	Architecture	74.2 architectural
3	Art/antiques trade	52.48/9 retail sale in specialised stores nec (+) 52.5 retail sale of second/hand goods in stores (+)
4	Crafts	<i>majority of businesses too small to be picked in business surveys</i>
5	Design	<i>no codes match this field</i>
6	Designer fashion	9 subsectors clothing manufacture (+)
7	Video, film, music & photography	74.84 other business activities nec (+) 22.32 reproduction of video recording (+) 92.11 motion picture and video production 92.12 motion picture and video distribution 92.13 motion picture projection 74.81 photographic activities (+)
9&10	Music and the visual and performing arts	22.14 publishing of sound recordings 22.31 reproduction of sound recording (+) 92.31 artistic & literary creation & interpretation 92.32 operation of arts facilities 92.34 other entertainment activities nec (+) 92.72 other recreational activities nec (+)
11	Publishing	22.11 publishing of books 22.12 publishing of newspapers 22.13 publishing of journals & periodicals 22.15 other publishing (+) 92.4 news agency activities
8 & 12	Software (incl leisure) & computer services	22.33 reproduction of computer media (+) 72.2 software consultancy & supply
13	Radio and TV	92.2 radio & television activities

+ denotes that only a proportion of this industry group is included to estimate the creative element. Details are available on request.

## 2. Best-fitting SOC2000 codes for Creative Occupations

<u>Mapping document</u> chapter	<u>Sector</u>	<u>Standard Occupation Classification (SOC)</u>
1	Advertising	1134 Advertising and public relations managers 3433 PR officer 3543 Marketing associate professional
2	Architecture	3121 Architectural technologists and town planning technicians
3	Art/antiques trade	none
4	Crafts	5491 Glass and ceramics makers, decorators and finishers 5492 Furniture makers, other craft woodworkers 5493 Pattern makers (moulds) 5494 musical instrument makers, tuners 5495 Goldsmiths, silversmiths, precious stone workers 5496 Floral arrangers, florists 5499 Hand craft occs nec
5 & 6	Design & Designer fashion	8112 Glass and ceramics process operatives 9121 Mates to woodworking craftsmen/women 2126 Design & development engineers 3411 Artists 3421 Graphic designers
7	Film & video	3434 Photographers and audio-visual equipment operators
9&10	Music and the visual and performing arts	3412 Authors, writers, journalists 3413 Actors, entertainers 3414 Dancers and choreographers 3415 Musicians 3416 Arts officers, producers and directors
11	Publishing	3431 Journalists, newspaper and periodical editors 5421 Originators, composers and print preparers 5422 printers 5423 Bookbinders and print finishers 5424 Screen printers
8 & 12	Software (incl leisure) & computer services	1136 IT/Comms managers 2131 IT professionals
13	Radio and TV	3432 Broadcasting associate professionals 5244 TV, video and audio engineers