

Creative Industries Economic Estimates Statistical Bulletin

September 2006



INTRODUCTION

This is the fifth annual Creative Industries Economic Estimates bulletin. The series is the result of development work on official data sources, following a commitment in the 2001 Creative Industries Mapping Document¹ to consider how to provide more timely and consistent data on the activity of the Creative Industries. The Mapping Document, and the previous version in 1998, outlined the sectors comprising the Creative Industries and it is this structure which forms the basis of these bulletins.

The classifications used by international convention 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 throughout the bulletin are *estimates* and are not classed as National Statistics.**

HEADLINE FINDINGS

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

- The Creative Industries accounted for 7.3% of Gross Value Added (GVA) in 2004.
- The Creative Industries grew by an average of 5% per annum between 1997 and 2004². This compares to an average of 3% for the whole of the economy over this period.
- Three sectors showed growth above the average across all the Creative Industries: Software, Computer Games & Electronic Publishing (9% p.a.), Radio & TV (8% p.a.) and Art & Antiques (7% p.a.).

2. Exports (Table 2)

- Exports by the Creative Industries totalled £13 billion in 2004. This equated to 4.3% of all goods and services exported.
- More than a third (36%) of the total Creative Industries exports was contributed by the Software, Computer Games & Electronic Publishing sector.

¹ DCMS, *Creative Industries Mapping Document 2001*.

² Based on the 11 of the 13 creative industries for which trend data is available.

3. Employment (Table 3)

- In the summer quarter of 2005, creative employment totalled 1.8 million jobs. This comprised just over 1 million jobs in the Creative Industries and a further 780,000 creative jobs within businesses outside these industries.
- Total creative employment increased from 1.6m in 1997 to 1.8m in 2005, an average growth rate of 2% per annum, compared to 1% for the whole of the economy over this period.
- Software, Computer Games & Electronic Publishing showed the largest increase in employment between 1997 and 2005 with an average growth rate of 6% per annum. The Design sector, including Designer Fashion, also showed an increase above the overall average for the Creative Industries over the period (5% per annum).

4. Numbers of businesses (Table 4)

- In 2005, there were an estimated 117,500 businesses in the Creative Industries on the Inter-Departmental Business Register (IDBR). This represents 7.2% of all companies on the IDBR, although the true proportion of enterprises that are in the Creative Industries is likely to be higher as certain sectors such as Crafts contain predominantly small businesses - see Annex C for further detail.
- Around two-thirds of the businesses in the Creative Industries are contained within two sectors; Software, Computer Games and Electronic Publishing (51,200 companies) and Music and the Visual & Performing Arts (29,000 companies).

NOTES

Revisions

Since the last bulletin (published October 2005) some revisions have been made as a result of updates to the source data and minor methodological improvements - see Annex B for further detail.

Interpretation of the figures

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 the estimates to ensure consistency and hence comparability between sectors. Where NS data are not available other research has been used which may not have been subjected to the same quality checks. It therefore follows that these estimates, and the overall totals which necessarily include these estimates, may not be as reliable as National Statistics.

3. With the exception of the number of businesses counts, sources are sample surveys. These data are thus subject to sampling errors, in particular when sample sizes are small for the detailed classifications. Therefore too much emphasis should not be placed on fluctuations in the figures.
4. Due to the structure of the official classifications used, it is necessary to combine 'Interactive Leisure Software' with 'Software and Computer Services' and 'Music' with 'Performing Arts' to produce these estimates.
5. All tables are for the UK, with the exception of Table 3 (employment) which relates to Great Britain.

Future work

This bulletin uses the same methodology as in previous years. However, a project is currently underway to review the methodology, in particular to improve consistency with the DCMS Evidence Toolkit (DET). DCMS is working with the Office for National Statistics to assess the proportions currently applied to the official classifications to measure the activity within each Creative Industry sector, with the aim of ensuring that the estimates are underpinned by as robust assumptions as possible. We will then publish a revised list of proportions as required. See Annex B for more detail on the proportions.

The project to review the bulletin methodology forms part of the wider Creative Economy Programme, launched by DCMS in November 2005, which aims to better understand the role the Creative Industries may play in the future of the UK economy and what role Government has in supporting these industries. For more information, see www.cep.culture.gov.uk.

Table 1a - Gross Value Added (GVA) of the Creative Industries, UK

	Advertising	Architecture	Art & Antiques	Crafts	Design	Designer Fashion	Video, Film & Photography	Music and the Visual & Performing Arts	Publishing	Software, Computer Games & Electronic Publishing	Radio & TV	TOTAL ¹
GVA at current prices (£ million)												
1997	3,400	3,100	260	n/a	n/a	280	1,900	2,700	6,500	9,800	3,500	n/a
1998	3,500	3,200	270	400	n/a	270	1,800	2,900	7,300	13,200	3,700	n/a
1999	5,500	3,200	320	n/a	n/a	300	2,100	3,100	8,000	13,900	4,600	n/a
2000	6,100	3,500	350	n/a	6,500	360	2,100	3,200	8,400	14,800	5,900	51,300
2001	5,500	3,600	390	n/a	6,700	320	1,800	3,100	8,800	16,300	6,700	53,300
2002	5,400	3,400	430	n/a	5,900	320	2,100	3,300	8,300	16,900	6,800	52,700
2003	5,200	4,000	470	n/a	5,300	330	2,400	3,600	8,600	19,800	6,200	55,700
2004	5,100	4,000	490	n/a	3,900	380	2,300	3,600	9,200	20,700	7,100	56,900
% of UK GVA												
1997	0.6%	0.5%	0.04%	n/a	n/a	0.05%	0.3%	0.5%	1.1%	1.7%	0.6%	n/a
1998	0.6%	0.5%	0.04%	0.07%	n/a	0.05%	0.3%	0.5%	1.2%	2.2%	0.6%	n/a
1999	0.9%	0.5%	0.05%	n/a	n/a	0.05%	0.3%	0.5%	1.3%	2.2%	0.7%	n/a
2000	0.9%	0.5%	0.05%	n/a	1.0%	0.05%	0.3%	0.5%	1.3%	2.3%	0.9%	7.8%
2001	0.8%	0.5%	0.06%	n/a	1.0%	0.05%	0.3%	0.5%	1.3%	2.4%	1.0%	7.8%
2002	0.8%	0.5%	0.06%	n/a	0.8%	0.05%	0.3%	0.5%	1.2%	2.4%	1.0%	7.5%
2003	0.7%	0.5%	0.06%	n/a	0.7%	0.05%	0.3%	0.5%	1.2%	2.7%	0.9%	7.7%
2004	0.7%	0.5%	0.06%	n/a	0.5%	0.05%	0.3%	0.5%	1.2%	2.7%	0.9%	7.3%

Source: Annual Business Inquiry, Office for National Statistics, with the following exceptions:

Crafts - Creative Industries Mapping Document (1998) - turnover, see Annex B

Design - Design Industry Valuation Survey, British Design Initiative - turnover for financial year, see Annex B

¹ Total excludes Crafts as figures are not available for every year.

Table 1b - Growth in GVA of the Creative Industries, UK ¹

	Advertising	Architecture	Art & Antiques	Crafts	Design	Designer Fashion	Video, Film & Photography	Music and the Visual & Performing Arts	Publishing	Software, Computer Games & Electronic Publishing	Radio & TV	TOTAL ²
1997-1998	0%	3%	0%	n/a	n/a	-7%	-9%	4%	9%	31%	3%	12%
1998-1999	52%	-4%	17%	n/a	n/a	7%	13%	4%	7%	3%	21%	10%
1999-2000	9%	8%	8%	n/a	n/a	18%	3%	3%	3%	5%	27%	8%
2000-2001	-11%	3%	10%	n/a	1%	-13%	-19%	-7%	3%	8%	10%	2%
2001-2002	-6%	-9%	6%	n/a	-15%	-2%	12%	4%	-9%	0%	-1%	-2%
2002-2003	-6%	13%	7%	n/a	-13%	1%	11%	4%	0%	14%	-11%	5%
2003-2004	-4%	-1%	2%	n/a	-28%	13%	-4%	-1%	4%	2%	10%	2%
Average 1997-2004	3%	2%	7%	n/a	n/a	2%	0%	2%	2%	9%	8%	5%

Source: as Table 1a.

¹ Estimates calculated from figures in Table 1a with implied GDP deflator (base = 2000) to remove the effect of inflation. Too much emphasis should not be placed on fluctuations between years (see note on interpretation of the figures).

² Total excludes Crafts and Design as figures are not available for every year.

Table 2 - Exports of the Creative Industries, UK

£ million

	Advertising	Architecture	Art & Antiques	Crafts	Design	Designer Fashion	Video, Film & Photography	Music and the Visual & Performing Arts	Publishing	Software, Computer Games & Electronic Publishing	Radio & TV	TOTAL ¹
1997	680	380	n/a	n/a	n/a	n/a	710	250	680	1,400	500	n/a
1998	630	470	n/a	40	n/a	350	680	250	830	1,700	640	n/a
1999	560	410	1,400	n/a	n/a	n/a	730	270	860	2,300	730	n/a
2000	710	420	2,000	n/a	1,000	n/a	940	300	950	2,500	690	9,500
2001	730	520	1,900	n/a	1,000	390	910	290	830	3,900	910	11,000
2002	890	510	2,300	n/a	1,200	n/a	840	280	790	3,500	1,000	11,300
2003	1,100	580	2,200	n/a	630	n/a	810	240	1,200	3,900	1,000	11,600
2004	1,100	570	2,200	n/a	550	n/a	940	150	1,500	4,700	1,300	13,000

Source: International Trade in Services, Office for National Statistics, with the following exceptions:

Art & Antiques - Antiques Trade Gazette analysis of HM Revenue and Customs data (UK exports to non-EU countries)

Crafts - Creative Industries Mapping Document (1998)

Design - Design Industry Valuation Survey, British Design Initiative – figures are for financial years

Designer Fashion - Design Fashion Report 1998, A study of the UK designer fashion sector, 2003 (both for DTI)

¹ Total excludes Crafts and Designer Fashion as figures are not available for every year.

Table 3 - Creative employment, Great Britain ¹

Summer quarter (Jun-Aug)	Advertising	Architecture	Art & Antiques	Crafts	Design and Designer Fashion	Video, Film & Photography	Music and the Visual & Performing Arts	Publishing	Software, Computer Games & Electronic Publishing	Radio & TV	TOTAL
Employment in the Creative Industries											
2005	89,100	83,100	22,900	-	3,400 ²	51,000	185,300	173,800	341,600	95,200	1,045,400
Employment in creative occupations in businesses outside the Creative Industries											
2005	134,300	25,100	-	95,500	112,100	12,800	51,100	79,500	255,200	13,500	779,000
Total Creative Employment											
1997	201,000	95,800	20,200	95,000	80,700	64,200	226,300	308,500	379,400	97,600	1,568,700
1998	204,200	101,500	19,800	119,800	88,800	64,100	217,800	317,100	426,000	101,500	1,660,700
1999	200,900	101,500	20,800	96,800	93,500	61,900	255,700	317,000	488,600	92,500	1,729,300
2000	206,000	102,600	20,900	111,300	98,500	67,500	224,300	283,900	544,600	109,800	1,769,400
2001	220,500	103,400	20,900	115,100	103,000	75,500	224,600	293,300	567,700	104,100	1,828,100
2002	215,400	102,900	21,400	114,100	115,000	68,900	240,800	286,800	556,700	108,800	1,830,700
2003	213,800	103,100	22,500	108,700	113,200	74,300	245,800	305,200	581,200	110,900	1,878,800
2004	200,000	102,600	22,500	112,900	110,400	65,500	232,300	274,300	593,900	110,600	1,825,000
2005	223,400	108,200	22,900	95,500	115,500	63,800	236,300	253,300	596,800	108,700	1,824,400
Annual growth											
1997-2005	1%	2%	2%	0%	5%	0%	1%	-2%	6%	1%	2%
2004-2005	12%	5%	1%	-15%	5%	-3%	2%	-8%	0%	-2%	0%

Source: Labour Force Survey, Office for National Statistics - employees and self-employed, main and second job.

¹ The coverage of these data is broader than that of the other bulletin tables since it is possible to count not only jobs in the Creative Industries, but also jobs in creative occupations in business which are classed as being outside these industries, e.g. graphic designers working in a manufacturing firm.

² As no SIC codes match the design sector, this estimate is for designer fashion only, see Annex A Table A1.

Table 4 - Numbers of businesses in the Creative Industries, UK ¹

	Advertising	Architecture	Art & Antiques	Designer Fashion	Video, Film & Photography	Music and the Visual & Performing Arts	Publishing	Software, Computer Games & Electronic Publishing	Radio & TV	TOTAL
1997	10,400	3,400	1,500	1,400	4,800	32,600	7,000	49,500	2,300	112,900
1998	10,300	3,300	1,600	1,300	5,500	32,500	6,800	52,600	2,300	116,200
1999	10,000	3,400	1,700	1,300	6,000	32,200	6,800	55,700	2,700	119,800
2000	10,000	3,300	1,800	1,300	6,500	32,500	6,700	56,700	3,000	121,800
2001	10,100	3,100	1,800	1,300	6,800	32,600	6,700	56,100	3,400	121,900
2002	10,100	3,000	1,800	1,300	7,400	32,300	6,700	55,800	3,600	122,000
2003	10,100	3,500	1,800	1,300	7,900	31,500	6,700	53,700	4,000	120,500
2004	9,800	4,100	1,700	1,400	8,000	30,100	6,500	49,100	4,200	114,900
2005	9,900	4,700	1,700	1,400	8,600	29,000	6,700	51,200	4,400	117,500

Source: Inter-Departmental Business Register (IDBR), Office for National Statistics.

¹ As measured by the IDBR (see Annex C). Crafts and Design are therefore excluded as there are no corresponding SIC codes (see Annex A, Table A1).

ANNEX A – Mapping the Creative Industries to official data classifications

Table A1 - Assumption for correspondence between Creative Industries and the 2003 Standard Industrial Classification

Mapping Document Chapter	Sector	Standard Industrial Classification (SIC)		Proportion of code taken (*)
		Code	Description	
1	Advertising	74.40	Advertising	
2	Architecture	74.20	Architecture and engineering activities and related technical consultancy (‡)	✓
3	Art & Antiques	52.48	Other retail sale in specialised stores (‡)	✓
		52.50	Retail sale of second-hand goods in stores	✓
4	Crafts	Majority of businesses too small to be picked up in business surveys		
5	Design	No codes match this sector		
6	Designer Fashion	9 Codes	Clothing Manufacture (†)	✓
		74.87	Other business activities not elsewhere classified	✓
7	Video, Film & Photography	22.32	Reproduction of video recording	✓
		74.81	Photographic activities	✓
		92.11	Motion picture and video production	
		92.12	Motion picture and video distribution	
		92.13	Motion picture projection	
9 & 10	Music and the Visual & Performing Arts	22.14	Publishing of sound recordings	
		22.31	Reproduction of sound recording	✓
		92.31	Artistic and literary creation and interpretation	
		92.32	Operation of arts facilities	
		92.34	Other entertainment activities not elsewhere classified	✓
		92.72	Other recreational activities not elsewhere classified	✓
11	Publishing	22.12	Publishing of books	
		22.12	Publishing of newspapers	
		22.13	Publishing of journals and periodicals	
		22.15	Other publishing	✓
		92.40	News agency activities	

Table A1 (continued): Assumption for correspondence between Creative Industries and 2003 Standard Industrial Classification

Mapping Document Chapter	Sector	Standard Industrial Classification (SIC)		Proportion of code taken (*)
		SIC	Description	
8 & 12	Software, Computer Games & Electronic Publishing	22.33	Reproduction of computer media	✓
		72.21	Publishing of software	
		72.22	Other software consultancy and supply	
13	Radio & TV	92.20	Radio and television activities	

* As some SICs contain activity deemed to be outside of the Creative Industries, only a proportion of the total activity within these codes is included in the estimates (see Annex B).

† 9 Clothing Manufacturing codes used for Designer Fashion: 17.71, 17.72, 18.10, 18.21, 18.22, 18.23, 18.24, 18.30, 19.30

‡ For Table 4 (Numbers of Businesses), it is possible to use more specific '5 digit' codes for these 2 classes. These are 74.20/1 (Architectural activities) and 52.48/9 (Other retail sale in specialised stores not elsewhere classified).

Table A2 - Best-fitting SOC2000 codes for Creative Occupations (to estimate number of creative jobs outside businesses in the Creative Industries)

Mapping Document Chapter	Sector	Standard Occupational Classification (SOC)	
		SOC	Description
1	Advertising	1134	Advertising and Public Relations managers
		3433	Public Relations officers
		3543	Marketing associate professionals
2	Architecture	2431	Architects
		2432	Town Planners
		3121	Architectural technologists and Town Planning technicians
3	Art & Antiques	No codes match this sector	
4	Crafts	5491	Glass and Ceramics makers, decorators and finishers
		5492	Furniture makers, other craft woodworkers
		5493	Pattern makers (moulds)
		5494	Musical Instrument makers and tuners
		5495	Goldsmiths, Silversmiths, Precious Stone workers
		5496	Floral arrangers, Florists
		5499	Hand Craft occupations not elsewhere classified
		8112	Glass and Ceramics process operatives
		9121	Labourers in Building and Woodworking Trades (Δ)
5 & 6	Design & Designer Fashion	2126	Design and Development engineers
		3411	Artists
		3421	Graphic Designers
		3422	Product, Clothing and related designers
		5411	Weavers and Knitters
7	Video, Film & Photography	3434	Photographers and Audio-Visual equipment operators
9 & 10	Music and the Visual & Performing Arts	3412	Authors, Writers
		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, Compositors and Print preparers
		5422	Printers
		5423	Bookbinders and Print finishers
		5424	Screen printers

Table A2 (continued) - Best-fitting SOC2000 codes for Creative Occupations (to estimate number of creative jobs outside businesses in the Creative Industries)

Mapping Document Chapter	Sector	Standard Occupational Classification (SOC)	
		SOC	Description
8 & 12	Software, Computer Games & Electronic Publishing	1136	Information and Communication Technology managers
		2131	IT Strategy and Planning professionals
13	Radio & TV	3432	Broadcasting associate professionals
		5244	TV, Video and Audio engineers

Δ Only a proportion of this SOC is taken

ANNEX B – Further Notes

1. Classifications

As shown in Annex A, the definitions for the Creative Industries are based on the UK Standard Industrial Classification (SIC) and Standard Occupational Classification (SOC). However, the structure of these classifications means that for some SICs, identification of Creative Industries within *wider* industrial codes is required in order to produce the estimates in this bulletin. This is done by taking a proportion of the wider code – to represent only the part within the 'Creative Industries'. These proportions are currently being reviewed as part of the Creative Economy Programme.

Minor revisions were made to the SIC in 2003. The implications of the change from SIC(98) to SIC(03) for this bulletin are minimal with only the definitions for the Designer Fashion and Software sectors being affected. Data from 2003 onwards for these sectors are therefore not entirely consistent with previous years.

2. Revisions

The following revisions have been incorporated to the bulletin since the last publication in October 2005:

- ONS have revised source GVA data from the ABI for 2003 for a number of SICs, so Tables 1a and 1b have been updated accordingly. Additionally, GVA data for SICs 74.87 and 52.50 has been revised in these tables for 2002.
- Table 1a shows that data for Crafts is only available for 1998, but a constant figure of 0.07% of UK GVA for this sector had previously been incorrectly shown in subsequent years. This error was presentational only, and did not have any effect on totals previously published.
- Table 1b has been revised for 2002 and 2003 data where proportions had not been applied to SICs 22.15 and 92.72. In addition, a minor correction has been made to the proportion applied to SIC 74.87 for this table which affects all years shown.
- Table 3 has been revised for historical data as SIC 74.81 had incorrectly been included in 'Music and the Visual & Performing Arts' rather than 'Video, Film & Photography'.
- All comparative series for the whole economy have been updated to reflect the latest national estimates.
- Tables A1 and A2 have been updated to ensure consistent labelling of the sectors between the text and tables.
- Table A2 has been updated to include the three SOC codes for the Advertising sector which had previously not been shown in the table. This was a presentational error only, and had no effect on the employment totals for this sector.

Please contact DCMS for further detail on any of these revisions.

3. 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, for example since 'Clothing' is used in place of 'Designer Fashion'.

Finally, the totals of the analyses are also affected by the lack of official data, for example for Crafts and Design. This bulletin uses the best available data for these, which are industry estimates.

4. Turnover data (tables 1a & 1b)

As the Crafts and Design sectors cannot be identified using official classifications, it is not possible to use the Annual Business Inquiry to obtain GVA data. Alternative sources are therefore used, but these measure turnover which differs from GVA for the following reasons:

- (i) A turnover figure will always be greater than a corresponding GVA figure. GVA can vary between 30% and 80% of turnover depending on the industry.
- (ii) Relevant to overall total figures, there may be some overlap with data for other Creative Industries.
- (iii) The figure for Design is likely to under-represent all design activity since design within large companies is not identified if this is not the company's main business, e.g. design in production companies.

ANNEX C – Sources and References

1. DCMS, *Creative Industries Mapping Document 1998* (1998). [Link](#)
2. DCMS, *Creative Industries Mapping Document 2001* (2001). [Link](#)
3. DCMS Evidence Toolkit [Link](#)
4. Creative Economy Programme [Link](#)
Evidence & Analysis Group – Draft Report [Link](#)
5. **ONS, Annual Business Inquiry (ABI)**
The ABI estimates cover all UK businesses registered for VAT and/or PAYE, classified to the 1992 or 2003 Standard Industrial Classification. The ABI contains details on these businesses from the ONS Inter-Departmental Business Register (IDBR). For more information on the ABI see [ONS website - ABI](#)
6. **ONS, Inter-Departmental Business Register (IDBR)**
The IDBR is the comprehensive list of UK businesses that is used by government for statistical purposes. The IDBR covers businesses in all parts of the economy, other than some very small businesses (self-employed and those without employees and low turnover) and some non-profit making organisations. This therefore affects some Creative Industry sectors, such as Crafts, more than others due to a predominance of small businesses. For more information on the IDBR see [ONS website - IDBR](#)
7. **ONS, Labour Force Survey (LFS)**
The LFS is a quarterly sample survey of households living at private addresses in Great Britain. Its purpose is to provide information on the UK labour market that can then be used to develop, manage, evaluate and report on labour market policies. For more information on the LFS see [ONS website - LFS](#)
8. **ONS, International Trade in Services**
The ONS conducts an inquiry into international transactions of companies offering business services. For more information see [ONS website - International Trade](#). The figures used in this bulletin are specially commissioned from ONS by DCMS.
9. **Design Industry Valuation Survey, British Design Initiative**
This is an annual survey undertaken by the British Design Innovation based on over 4,000 BDI registered design agencies. For more information see [BDI website](#)
10. **Antiques Trade Gazette** [Link](#)
The figure for exports used in this bulletin was produced by the Gazette from analysis of HM Revenue and Customs data and covers only UK exports to non-EU countries.