



**PREPARATION
ASSIGNMENT
— MARKET
FICHES**

INTRODUCTION

This document includes short market fiches for 31 countries (EU 28, as well as Norway, Iceland and Liechtenstein). These fiches complement the EU market analysis and provide some key information on a country-per-country approach. It chiefly includes selected data on the Cultural and Creative Sectors (CCS) and information on funding sources (mostly public ones), whilst a more detailed analysis of market trends is available in the market analysis document.

These fiches were compiled by using a selection of pan-European studies, data sets and resources, and especially:

- Eurostat database (2018), Value added and turnover of enterprises in the cultural sectors by NACE Rev. 2 activity
- Eurostat database (2018), Cultural employment by NACE Rev. 2 activity
- Council of Europe (2018), Compendium of Cultural Policies and Trends in Europe, 19th edition
- The JRC's Cultural and Creative Cities Monitor
- Austrian Institute for SME Research and VVA Europe (2016) Boosting the competitiveness of cultural and creative industries for growth and jobs. A study for DG Grow
- EY (2015) Cultural times: The first global map of cultural and creative Industries.

Whenever possible, the information retrieved from European sources was completed by additional research on national sources. It is also noted that the level of publicly available information is limited and not homogeneous across EU countries. National sources may use slightly different definitions of the CCS, or apply a different statistical classification of those sectors. There is also a different vision of the CCS in terms of policy-making, as some European countries have a clear focus on cultural policy geared towards production of cultural works and access to culture, whereas others have a more entrepreneurial focus on the CCS. We use these different national definitions of the CCS and slightly adapt our approach from country to country, as these reflect the priorities of the different Member States and give a more accurate vision of the focus on CCS in these countries. Taking into account the different CCS specificities of each country, inevitably results in a non-directly comparable analysis on a country-to-country basis. It nevertheless results in a more comprehensive reflection of the CCS landscape across the different countries captured by this analysis.

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LIST OF — ABBREVIATIONS

ALTA	Association of Luxembourg Audiovisual Technicians
AVF	Audiovisual Fund
CCA	Cinema and Audiovisual Centre
CCS	Cultural and Creative Sectors
CoE	Council of Europe
CNC	Cinema National Center
CZK	Czech Koruna
DCMS	Department for Digital, Culture, Media & Sport
DKK	Danish Krona
EEA	European Economic Area
EFFE	Europe for Festivals, Festivals for Europe
EIF	European Investment Fund
ESIF	European Structural and Investment Funds
EU	European Union
EUR	Euro
FIs	Financial Intermediaries
GBN	Bulgarian Lev
GDP	Gross Domestic Product
GVA	Gross Value Added
HRK	Croatian Kuna
ICT	Information and Communication Technology
ISK	Icelandic Króna
JRC	Joint Research Centre
LARS	Luxembourg Association of Filmmakers and Scriptwriters
NACE	EU statistical classification of economic activities
RCKE	Regional Creative Economy Centre in Slovenia
RON	Romanian Leu
SK	Swedish Krona
SME	Small and Medium Enterprise
SORS	Statistical Office of Republic of Slovenia
ULPA	Union of Luxembourg Audiovisual Producers
UNCTAD	United Nations Conference on Trade and Development
UNESCO	United Nations Educational, Scientific and Cultural Organisation
VOD	Video on demand

MARKET FICHE AUSTRIA

I. Specificity of the Austrian market – context and introduction

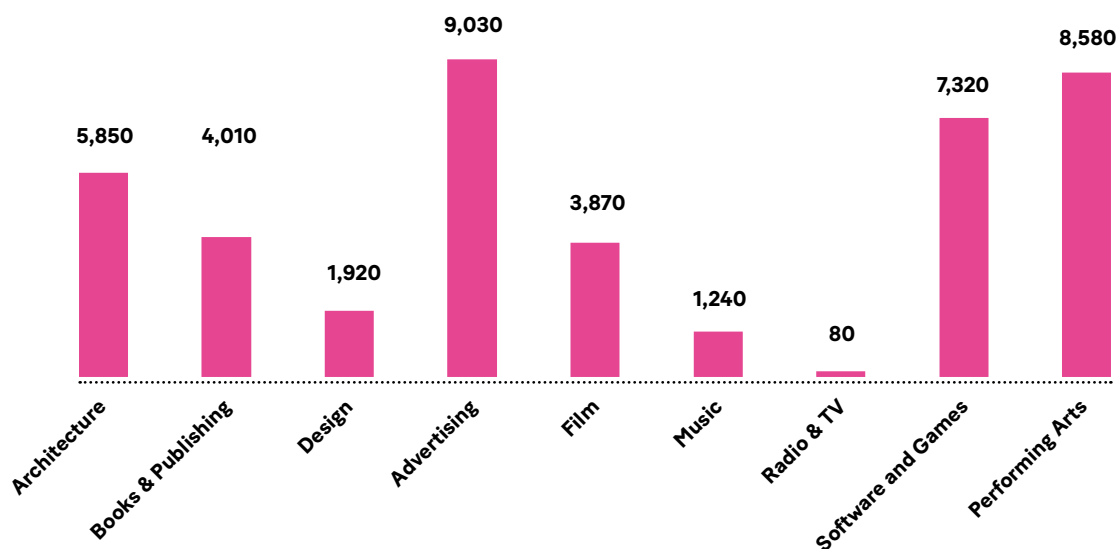
The Austrian government has been among the first to recognize the importance of cultural and creative sectors with regard to innovation policy and has incorporated the creative industries into the national strategy for research, technology and innovation. Globalisation and digitisation bring about radical changes in society and the economy throughout Europe. Austria is a highly export-oriented economy represented mostly by small businesses. The country thus needs robust innovation dynamics to cope with challenges inherent to globalisation and digitisation. In this context, the CCS play a crucial role as a driving force for the whole economy in terms of growth and innovation.

II. Presentation of key market data on the CCS

The CCS include commercial enterprises that are engaged in the creation, production and distribution of creative and cultural goods and services. According to the available data from the official Statistics of Austria, in 2016 the main sectors include software and video games, performing arts and advertising.

More than one out of ten enterprises in Austria belongs to the CCS. In total, there were 41,900 creative enterprises in 2016. The number of enterprises in the CCS increased twice as fast in recent years when compared with the overall economy.

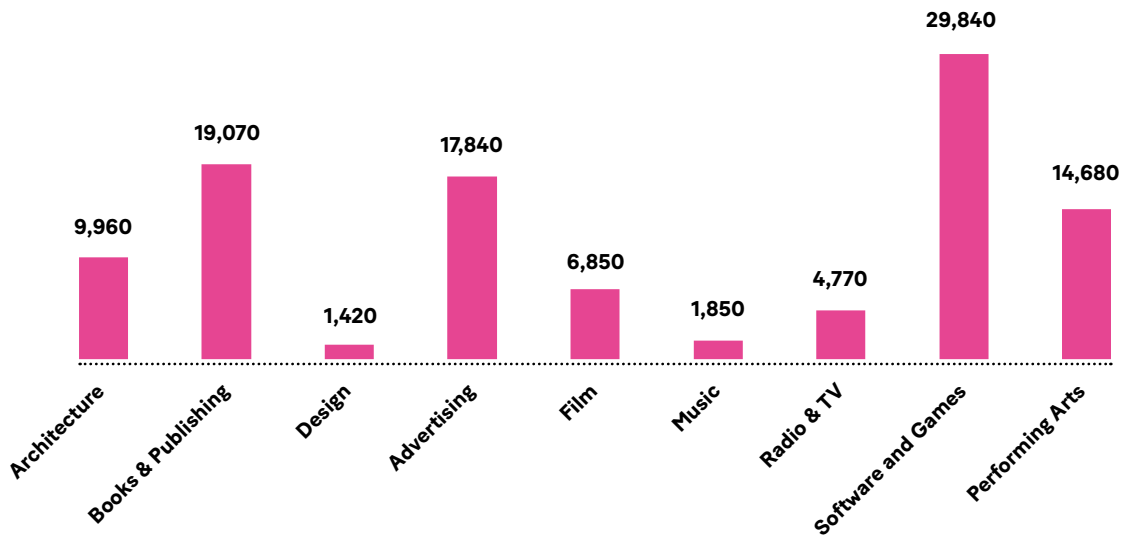
Number of companies in the CCS in 2016



Source: Cultural and creative sectors Strategy Austria Report, 2016

The software and games companies employ more than any other sector, reaching 29,840 employees, followed by books and publishing with 19,070 employees, and advertising with 17,840 employees.

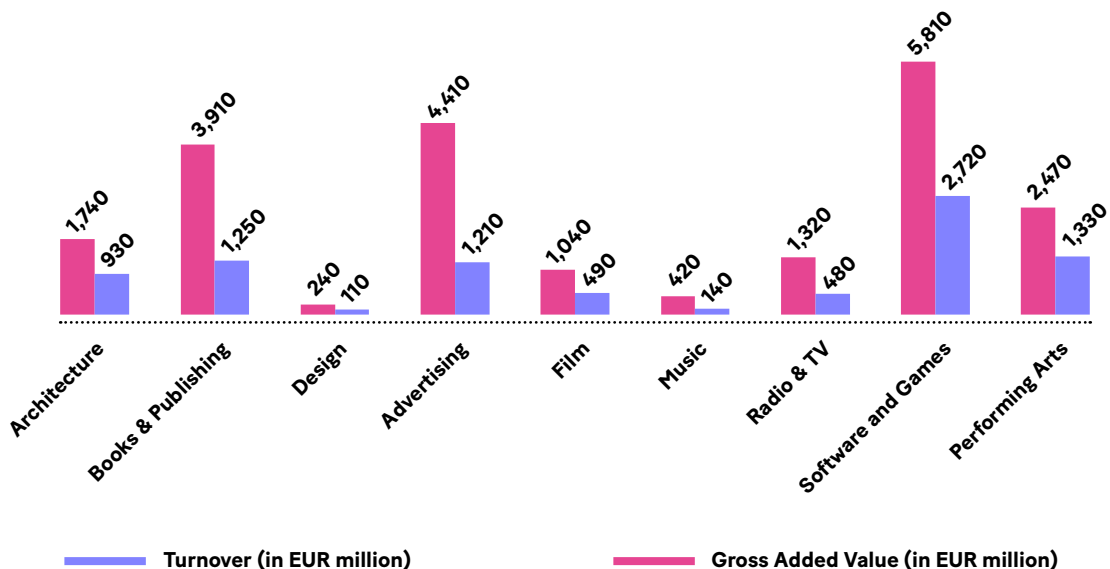
Number of employees in the CCS in 2016



Source: Cultural and creative sectors Strategy Austria Report, 2016

According to the cultural and creative sectors strategy Austria report from 2016, the gross value added (GVA) of Austria's CCS is about EUR 8,660 million. This equals to 4% of the gross value added of the overall economy. The CCS generate turnover of EUR 21,360 million. This equals 2.8% of the turnover in the overall economy. The GVA of the CCS has increased by almost 25% in 2016, while the overall economy had a growth of only 8%. At the same time, the CCS have managed to increase their turnover by 14%, which is 2% more than the growth achieved in the overall economy.¹

CCS turnover and gross value added in 2016 (in EUR million)



Source: Cultural and creative sectors Strategy Austria Report, 2016

¹ Cultural and creative sectors Strategy Austria Report, 2016

Cross-sectoral cooperation plays an important role for CCS SMEs and is the basis for the development and implementation of innovation in and by the cultural and creative sectors. About 44% of all creative enterprises co-operate with partners in innovation activities, especially in the fields of artistic activities (62%), design (62%) and advertising (57%). The effects of Austria's CCS on the overall economy are visible and become even more visible as a result of the positive side effects they have on other economic sectors (e.g. make them more attractive, support their marketing and improve the business processes thanks to the application of specific services such as design, IT, communication, etc.).

III. Main financing sources for the CCS

In order to generate larger leaps in innovation and to be able to develop innovative products, services and business models, creative entrepreneurs need access to funding and venture capital. With the view to strengthen the innovative potential of the CCS, specific promotion programmes have been implemented. At federal level, the following can be found:

- The "Evolve" initiative for the promotion of innovation in the CCS of the Federal Ministry of Science, Research and Economy, in cooperation with the *Kreativwirtschaft Austria (kwa)* and *Austria Wirtschaftsservice (aws)*. "Evolve" offers education and training, services, counselling and networking as well as funding through the "Impulse" programme for the experimental development and first market application of products by businesses in the CCS, pilot projects and awareness measures.
- The *Austrian Fashion Association* is an information, coordination and service agency at the interface of fashion design, economy and culture. Endowed with an annual budget of EUR 100,000 from funds of the Federal Chancellery and the City of Vienna the association awards grants amounting to EUR 8,000 to young fashion designers in the frame of the "Austrian Fashion Association's support programme". The objective is to improve career opportunities of Austrian fashion designers at national and international markets. Additional tasks include the strengthening of international competitiveness, developing publicity and press awareness as well as increasing national and international commercial presence.

Since 2004, there has also been an international campaign for the CCS, which was launched by "Außenwirtschaft Austria" (Foreign Trade Austria) and the Austrian Chamber of Commerce. Moreover, according to the Austrian Business Committee for the Arts, which has launched several incentives to promote arts sponsorship in Austria, for example the Maecenas sponsorship award, the estimated private sponsorship potential amounts to about EUR 50 million.

Private incubators and associations are also active in funding the CCS. For instance, "The creative center of the Vienna Business Agency" offers comprehensive services and networking assistance to Viennese companies in the CCS, from architecture to multimedia, focusing on networking, visibility and transfer of know-how.

All in all, public cultural expenditures of local and regional authorities totaled around EUR 2.58 billion or 0.73% of GDP in 2016. Federal expenditure amounted to EUR 899 million. The Federal Government mainly distributed this expenditure among performing arts (21%) and museums, archives, science (15%), as well as film, cinema, video (3.8%), international cultural exchange (3.1%), press (1.1%) and literature (1.1%). The federal states also focused on performing arts (23%) and museums, archives, science (13%) and dedicated relatively high expenditure to major events (2.8%) and visual arts, photo, architecture, design (1.7%).

In addition to the funding resources of the country, the EU enhances access to finance for CCS SMEs and small public organisations operating within CCS through the Cultural and Creative Sectors Guarantee Facility. This EU financing support mechanism is demand-driven and its availability is subject to the take up by local financial institutions or foreign financial institutions with operations in the country. Information on the FIs providing EU guaranteed loans under the Cultural and Creative Sectors Guarantee Facility can be found on the EIF's [website](#).

MARKET FICHE BELGIUM



I. Specificity of the Belgian market – context and introduction

The cultural and creative sectors have increasingly attracted the attention of policy makers at local, regional, national and EU level.

Wallonia (through Creative Wallonia), Brussels Capital Region and Flanders (district of creativity) all have policy frameworks for the CCS and have implemented incentives to boost the CCS. Some initiatives (federal museums) are also supported at national level. Belgium is also known as one of the first countries to develop a sophisticated tax shelter scheme for audiovisual productions.

II. Presentation of key market data on the CCS

There are many differences between Belgium's regions in terms of CCS composition as well as with regards to their economic contribution. Creative industries in Flanders are mainly represented by music, film, fashion and design. In addition, games, new media, heritage, visual arts, advertising and communication, print media, performing arts and architecture are displaying a steady growth.

The CCS contribute to the creation of new jobs, fostering the competitiveness of the Belgian economy.

Cultural and creative professionals in thousands

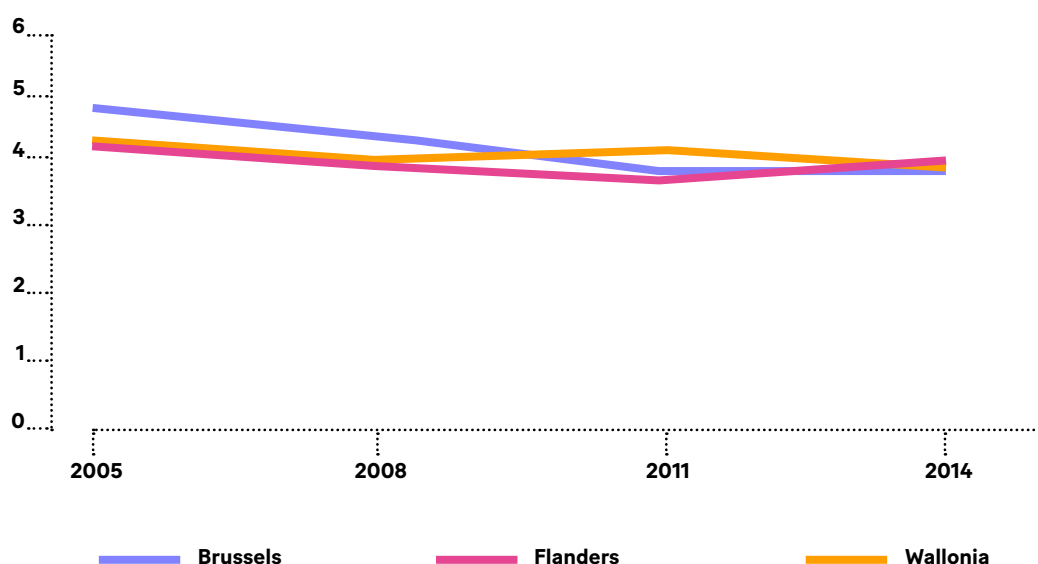
	2005	2008	2011	2014
Brussels	11.5	13.5	13.3	13.7
Flanders	38	48.8	51	53.2
Wallonia	17.3	21.4	21.8	22.1

Source: Employee by region 2005-2014, Mauri, C. A., Vlegels, J., Lucy, A., Lazzaro, E., Ysebaert, W. (2017) The Cultural and Creative Economy in the Brussels-Capital Region Brussels: VUB

As the table above shows, Flanders has reported the highest level of job creation registered between 2008-2014, followed by Wallonia and then the Brussels Capital Region.

The chart below shows the evolution of the CCS turnover in the three Belgian regions, namely in Brussels, Flanders and Wallonia, expressed in percentage of the total economy's turnover. Overall, the share of CCS turnover per region has been declining over the last years. Wallonia seems to be reporting a positive recovery.

CCS share of economic turnover per region (in %)



Source: Mauri, C. A., Vlegels, J., Lucy, A., Lazzaro, E., Ysebaert, W. (2017) The Cultural and Creative Economy in the Brussels-Capital Region Brussels: VUB

According to VUB's report on the Cultural and Creative Economy in the Brussels-Capital Region, it was stated that cultural and creative sectors represent less than 4 % of the overall economy in all regions.

While the CCS's economic weight for the three regions were strikingly close in 2014, Brussels registered a clear decline over the period shown under analysis in the graph above, starting just below 5% in 2005 and settling below 4% in the 2010s.

Cultural and creative sectors turnover (in EUR million)

	2005	2008	2011	2014	2008-2014 change
Brussels	10.1	11.7	10.9	10	-14.52%
Flanders	18	19.7	20.2	22.3	13.19%
Wallonia	4.46	4.84	5.37	5.2	7.43%

Source: Employee by region 2005-2014, Mauri, C. A., Vlegels, J., Lucy, A., Lazzaro, E., Ysebaert, W. (2017) The Cultural and Creative Economy in the Brussels-Capital Region Brussels: VUB

In terms of trends, the turnover of the CCS has increased significantly between 2008 and 2014 in Flanders and Wallonia, with a respective growth of 13.19% and 7.43%. Conversely, the turnover of the CCS in Brussels decreased by 14.52% between 2008 and 2014.

The sector breakdown reports that the fashion Industry is the largest for the CCS in Brussels rated by turnover (34% of total CCS turnover), followed by advertising (23%) and audiovisual (18%). Fashion was also the largest sector in Flanders (45% of total CCS turnover) and Wallonia (43%) followed by printed media (Flanders: 27%; Wallonia: 32%), while the remaining sectors display a low share of total CCS turnover in the two regions. Between 2008 and 2011, Brussels lost nearly all of its clothing and shoes manufacturing, while fashion retail remained stable, which partly explains the above-mentioned negative trend in terms of CCS turnover for Brussels.

The repartition of turnover in Wallonia's fashion sector is very similar to the one in the Brussels Capital Region, whereas wholesale, manufacturing and activities of sale agents are more important than in Flanders.²

² Mauri, C. A., Vlegels, J., Lucy, A., Lazzaro, E., Ysebaert, W. (2017) The Cultural and Creative Economy in the Brussels-Capital Region Brussels: VUB

III. Main financing sources for the CCS

The CCS are pivotal to the overall Belgian economy and many funding sources are available. Funds come from different levels.

On 31 March 2006, the Flemish government approved a new policy tool for companies in the culture industries sector: *CultuurInvest*. The sectors covered included: new media and computer games, the audiovisual sector and digital design, the music industry and concert scene, design and fashion design, printed media and graphic design, publishing and the book trade, music and performing arts, and distribution companies within the visual arts sector. *CultuurInvest* had three methods of support:

- project financing: short term and bridge financing for specific projects;
- growth capital: capital participation in more mature growth companies; and
- subordinated loans: quasi-capital as long-term investment in the companies belonging to the target sector.

CultuurInvest has been reorganized since then and its missions have been taken up by PMV.³

Another relevant initiative to mention is the *Flanders Innovation & Entrepreneurship*. This Agency helps Flemish companies and research centres to realise their research and development projects by providing funding, advice and a network of potential partners in Flanders and abroad. Furthermore, the *District of Creativity*, is a Flemish governmental organisation that promotes entrepreneurial creativity throughout the region through network development, research and events.

The breakdown of local public expenditure shows how public funding is allocated per policy area.

State cultural budget: by sector, Flemish Community 2017

Budget Lines	Amount (in EUR thousands)	Share
Transversal budget for Culture, Youth and Media	117,221	14%
Socio-Cultural Work for Adults	87,748	11%
Arts and Cultural Heritage, including:	231,056	28%
<i>Flemish Literature Fund</i>	5,946	n/a
<i>Flemish Audiovisual Fund</i>	16,718	n/a
<i>Flemish Parliament Act on the Arts</i>	157,193	n/a
<i>Flemish Parliament Act on Cultural Heritage</i>	33,274	n/a
Youth policy	42,287	5%
Media, including :	350,762	42%
<i>Public Broadcasting Company (VRT)</i>	271,167	
Total	829,074	100%

Source: Compendium Cultural Policy, data updated in 2017.

³ PMV is one of the financial intermediaries operating under the Cultural and Creative Sectors Guarantee Facility of the EU

With regards to the French-speaking community of Belgium, the sectors and activities supported are:

State cultural budget: by sector, Flemish Community 2017

Budget Lines	Amount (in EUR thousands)	Share
Cultural Participation	142,517	41.1%
Performing arts	93,136	26.9%
Audiovisual and multimedia	46,439	13.4%
Multidisciplinary activities	20,341	5.9%
Libraries	20,077	5.8%
Heritage	12,159	3.5%
Visual arts	6,055	1.7%
Books & Press	3,166	0.9%
Archives	2,566	0.7%
Languages	265	0.1%
Total	346,721	100%

Source: Fédération Wallonie-Bruxelles, Focus Culture 2017

Moreover, other initiatives are provided to support the creative sector.

For instance, *St'art* investment fund is a unique financial instrument in Brussels and Wallonia and is the result of the joint efforts of the Wallonia Region and Wallonia-Brussels Federation to support the development of the creative economy. *St'art* is aimed at supporting small and medium companies, including non-for-profit organisations. The fund contributes to the creation of companies and the development of existing structures in order to undertake new projects as well as the creation of new products and access to new markets. The objective is also to influence banks and private investors to direct their attention towards and invest in CCS. Human capital, talent and the ability to innovate are key factors of the economic life of the regions. Furthermore, the French-speaking Community of Belgium provides support, via the Cinema and Audiovisual Centre (CCA), for the audiovisual production sector.

The Walloon region also provides some powerful support to culture and creativity:

- *The Wallimage* cluster was created in 2001 with the mission of helping to develop the audiovisual industry.
- *WST* is a cluster supporting related technical skills required in the audiovisual sector (Walloon Technologies for Image, Sound and Text) and is naturally placed as an added project to the dynamics initiated by Wallimage. Its aim and ambition are to build a network of the various companies related to the world of image and sound whose number is growing in Wallonia.
- Last but not least, *Creative Wallonia* is a framework programme to restructure, reinforce and modernise its economic fabric, by placing creativity and innovation at the heart of the Walloon project. It spearheaded several actions including creativity vouchers, support to creative hubs and coworking spaces, and living labs for open innovation.

In addition to the funding resources of the country, the EU enhances access to finance for CCS SMEs and small public organisations operating within CCS through the Cultural and Creative Sectors Guarantee Facility. This EU financing support mechanism is demand-driven and its availability is subject to the take up by local financial institutions or foreign financial institutions with operations in the country. Information on the FIs providing EU guaranteed loans under the Cultural and Creative Sectors Guarantee Facility can be found on the EIF's [website](#).

MARKET FIGHE

BULGARIA



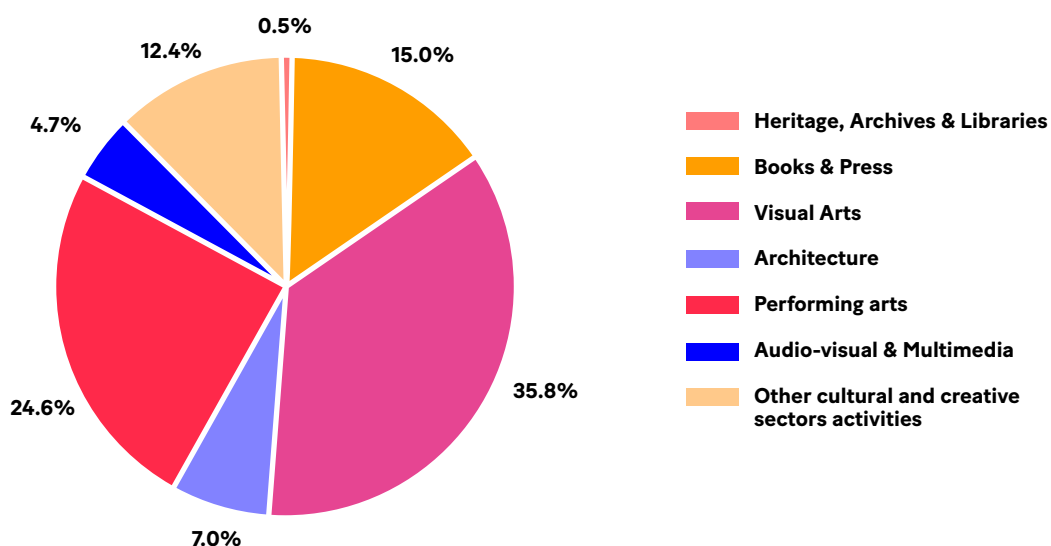
I. Specificity of the Bulgarian market – context and introduction

The Bulgarian culture landscape changed considerably after the collapse of the Soviet Union. The Bulgarian government has adopted, after 1989, reforms in society that had a positive impact on culture. It developed a governance model to organise its policies that has consequently improved the coordination of the support of culture across the different governmental levels. However, it does not, to date, have a dedicated policy for cultural and creative industries, except for the programmes implemented by the Ministry of Culture (cf. section III - activity of the Ministry of Culture).

II. Presentation of key market data on the CCS

The CCS include commercial enterprises that are engaged in the creation, production and distribution of creative and cultural goods and services. According to the data available at Eurostat on the CCS, in 2016 Bulgaria counted 32,663 enterprises active in the CCS. The leading sectors are visual arts, performing arts and books & press.

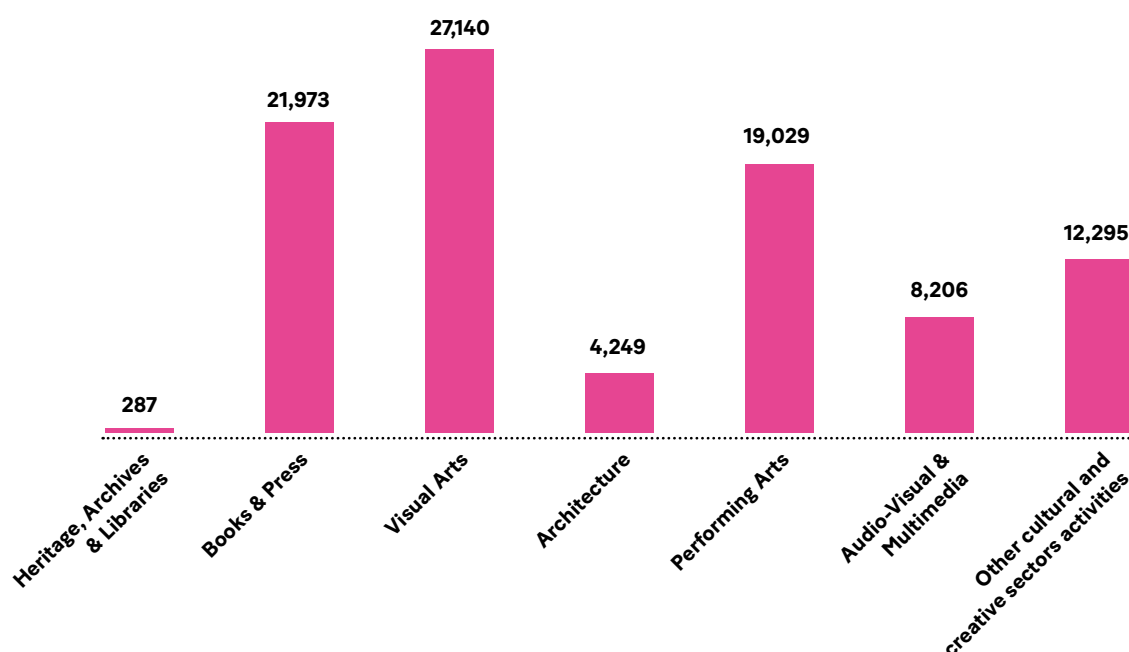
Repartition of CCS companies in 2016



Source: Eurostat

In terms of jobs, 93,179 people were employed in the CCS in Bulgaria in 2016. The sectors offering higher job opportunities are visual arts, performing arts and books & press.

Employees per CCS sector in 2016



Source: Cultural and creative sectors Strategy Austria Report, 2016

According to the Eurostat Statistics, the Bulgarian CCS decreased by 6.7% in terms of jobs between 2011 and 2016. The gross value added of the Bulgarian CCS was EUR 921 million in 2016.

	2011	2012	2013	2014	2015	2016
Number of companies	28,994	29,624	29,709	30,219	31,211	32,663
Employees (in thousands)	99.9	96.8	95.8	86.9	87.3	93.2
GVA (in EUR million)	630	605	631	715	836	921

Source: Eurostat

It is important to note that some research highlighted challenges for the CCS SMEs to access finance in Bulgaria, as many companies struggle to access loans and financing due to their perceived instability in the market.⁴

III. Main financing sources for the CCS

The Bulgarian CCS rely mainly on public support. After a drastic rise in culture expenditure as part of GDP between 1993 and 1997, it remained stable in the 2000's and amounted to 0.65% of public expenditure in 2009. The financial crisis of 2008 had a negative impact on public expenditure on culture. The budget allocated for cultural expenditure fell from 460.8 million to 440.5 million Bulgarian Lev (GBN) between 2009 and 2010. In 2009, the Government expenditure on culture represented 1.72% of the Bulgarian budget, with 60% of the funding provided by local governments and the remaining 40% funded by the federal State.

Public expenditure towards the CCS in 2009 was mainly directed towards interdisciplinary domains including socio-cultural activities, cultural diplomacy, administration and cultural educa-

⁴ Council of Europe (2018), Compendium of Cultural Policies and Trends in Europe, 19th edition.

tion (70.2%), Performing arts (19.3%), cultural heritage (6.4%) and audiovisual and multimedia (4.2%).

The major source of financing for cinema in Bulgaria comes from State subsidies, allocated by the National Film Center and doubled by the Council of Europe Eurimages fund. The books and libraries directorate of the Ministry of Culture (former national book center) promotes the publishing of non-commercial Bulgarian literature and translated literature.

The CCS also benefit from funding sources made available by local and regional governments, especially for architectural and archeological heritage. These include allocations from the Ministry of Culture and budget of municipalities, complemented by a tax relief to users and owners of immovable monuments and on built monuments for culture (when they are not used for economic purposes). Private funding and sponsorships are also very relevant.

In addition to the funding resources of the country, the EU enhances access to finance for CCS SMEs and small public organisations operating within CCS through the Cultural and Creative Sectors Guarantee Facility. This EU financing support mechanism is demand-driven and its availability is subject to the take up by local financial institutions or foreign financial institutions with operations in the country. Information on the FIs providing EU guaranteed loans under the Cultural and Creative Sectors Guarantee Facility can be found on the EIF's [website](#).

MARKET FIGHE CROATIA



I. Specificity of the Croatian market – context and introduction

Cultural policy in Croatia has undergone a profound change after the collapse of the Socialist Federal Republic of Yugoslavia in the '90s and the creation of the current independent democratic State. For instance, research on cultural development and the status of culture in society has shown that the cultural NGO sector has been growing dynamically during the post-2000 period.⁵ In the period 2004-2011 no major shifts in cultural policy and overall cultural strategy have been observed. Major reforms were undertaken in the book sector as well as in the media and audiovisual sector and performing arts, with the adoption of a new regulatory framework.⁶

The notion of a creative sector in Croatia is quite new and in development. The first mapping of the creative and cultural industries in the Republic of Croatia was published in 2015 under the auspices of the Croatian Cluster in Creative and Cultural Industries.⁷ Within the Smart Specialization Strategy of Croatia, the CCS have been recognized as a cross-cutting theme and at the same time creativity represents a crucial source of innovation for the thematic priority areas.⁸

II. Presentation of key market data on the CCS

The above-mentioned mapping report on the CCS provided the first estimations of the economic significance of cultural and creative industries in Croatia. According to the report, the CCS generated gross value added in the amount of HRK 6.3 billion or 2.3% of GDP in 2012, while their employment share was at 3% in 2014.

The largest sectors in terms of value added (in 2012) and in terms of employment (in 2014) are publishing, electronic media, museums, galleries and libraries, IT, computer games and new media, advertising and market communications, and music, visual and performing arts. GVA generated by the CCS in Croatia rose by 3.5% nominally in the 2009–2013 period, while at the same time GVA of all Croatian firms decreased by 4.7% nominally.

An overview is presented in the table below:

Sectors	Repartition of CCS companies per sector (in %)	Repartition of jobs per CCS sector (in %)
Publishing	19.9	21.4
Electronic media	18.2	12.8
Museums, galleries and libraries	14	11.2
IT, computer games and new media	13.7	10.4
Advertising and market communications	11.8	14.0
Music, visual and performing arts	11.6	16.9
Film	4.6	2.6
Architecture	4.0	4.8
Design	1.3	3.5
Photography	0.9	2.4
Total	100	100

Source: Rašić Bakarić, Bačić and Božić, 2015

⁵ Source: <https://www.culturalpolicies.net/web/croatia.php>

⁶ Ibid.

⁷ Source: Rašić Bakarić, Ivana, Katarina Bačić and Ljiljana Božić, 2015, "Mapping of Cultural and Creative Industries in the Republic of Croatia", Zagreb: The Institute of Economics, Zagreb, project study.

⁸ Source: http://s3platform.jrc.ec.europa.eu/documents/20182/222782/strategy_EN.pdf/e0e7a3d7-a3b9-4240-a651-a3f6bfaaf10e

There was a decrease in the number of people working in the cultural and creative sectors between 2011 and 2016 as shown in the table below, as well as a decrease in terms of GVA, whereas the number of CCS companies grew between 2011 and 2016, according to Eurostat data.

	2011	2012	2013	2014	2015	2016
Number of companies	8,715	9,006	9,277	9,537	9,605	9,545
Employees (in thousands)	43.2	37.2	36.8	38	37.2	37
GVA (in EUR million)	709	603	639	634	647	691

Source: Eurostat

There was a significant increase in the number of cultural festivals and events in the last two decades. Alongside traditional festivals and events, new partnerships have emerged. Several large international cultural events that have a long tradition are:

- Dubrovnik Summer Festival;
- Animafest – festival of animation (established over 40 years ago as a biennale, and since 2005 is functioning as an annual event);
- International Children’s Festival Šibenik that celebrated its 55th anniversary in 2015;
- Vinkovci Autumn folklore event established in 1974,
- the International Festival of New Theatre – EUROKAZ (since 1987 until 2013),
- Dance Week Festival (since 1984),
- Music Biennale since 1961, etc.

Some of these traditional events established themselves as cultural institutions.⁹

III. Main financing sources for the CCS

In Croatia, the CCS are relatively well supported by the State and the main share of support for the CCS comes from public funding.

● Public funding – national level¹⁰

According to data gathered from the Ministry of Culture of the Republic of Croatia (June 2016), the aggregated indicators for CCS support in 2014 were the following:

- Indicator 1: Public cultural expenditure, all levels of government, per capita in 2014 was HRK 518.29 (EUR 67.66).
- Indicator 2: This corresponds to 0.68% of GDP per capita.
- Indicator 3: The share of cultural expenditure in total public expenditure in 2014 was 1.31%.

Within the public sphere, culture in Croatia is co-financed by two main actors:

- the State: the Ministry of Culture is responsible for the distribution of the majority of public funds for culture.
- local authorities.

⁹ Source : <https://www.culturalpolicies.net/web/croatia.php>

¹⁰ Source : <https://www.culturalpolicies.net/web/croatia.php>

As shown in the table below, the repartition of public cultural expenditure by level of government has not changed significantly since 1999:

Year/percentage of public support	1999	2000	2009	2010	2011	2012	2013	2014
Ministry of Culture	38	43	42	43	41	37	38	35
Towns	30	27	25	28	29	32	32	34
City of Zagreb	24	22	26	22	23	22	22	23
Counties	5	5	4	4	4	4	4	4
Municipalities	3	3	3	3	3	5	4	4
Total	100	100	100	100	100	100	100	100

Source: Ministry of Culture of the Republic of Croatia

The city of Zagreb plays an important role in financing culture in Croatia. Nevertheless, funding has steadily decreased. Public expenditure of the Department of Education, Culture and Sports in the city of Zagreb for 2016 amounted to HRK 445,153,000 (approx. EUR 59,353,733) while in 2013 that was HRK 467,098,300 (approx. EUR 62,279,773).

● Public funding – international level

Croatian CCS are actively involved in the Creative Europe programme of the European Union. For instance, Croatia has secured more than EUR 5 million for audiovisual projects from the Creative Europe MEDIA sub-program, of which Croatia is a member since 2008.¹¹

The Ministry of Culture of the Republic of Croatia has been co-funding the European projects involving Croatian coordinators/partners since 2008. In 2014, the Ministry adopted the new Ordinance on Co-financing of Projects approved by the European Union Creative Europe Programme – Culture Sub-programme defining the criteria and procedure for co-financing Croatian institutions participating in the CE-Culture sub-programme. This support typically covers:

- Cooperation Projects. For project leader: min. 20% and max. 50% of the financial stake of the Croatian partner in the project; for project partner: min. 20% and max. 40% of the financial stake of the Croatian partner in the project;
- Literary Translation Projects: min. 10% and max. 30% of the financial stake of the Croatian publisher in the project.¹²

● Private funding¹³

It is hard to evaluate the level of sponsorship support and donations as there is no systematic evaluation of this trend. The Ministry of Culture only has information on the decisions and issued certificates concerning tax relief for companies that requested these certificates – no information on the amount of these sponsorships or donations is available. The support for cultural events is shown in a number of cases as compensation in goods and services rather than as monetary support.

A more significant contribution to recent culture funding comes from donations and sponsorship, particularly of large companies such as Adris, T-HT, VIPnet, B-net, and banks (e.g. ERSTE Bank Croatia, Zagrebačka banka, etc.). The precise amounts and / or indication of trends cannot, however, be given due to the lack of statistical data. These contributions are given mostly on a project basis and in many cases in-kind. However, since 2010, the funds have narrowed down as a consequence of the global recession and the same trend persisted in 2013 and 2014.

¹¹ Source : <https://www.havc.hr/eng/info-centre/news/25-years-of-media-croatia-receives-more-than-five-million-eur-in-non-refundable-grants>

¹² <https://www.kreativnievropa.cz/wp-content/uploads/2018/03/Creative-Europe-Co-Financing.pdf>

¹³ Ibid.

New partnerships forged from private and public funds have resulted in important new cultural events that have established themselves on the international scene, such as: Motovun film festival, Zagreb film festival, Dance and Non-verbal Festival San Vincenti, Split Film festival and Urban Festival.

In addition to the funding resources of the country, the EU enhances access to finance for CCS SMEs and small public organisations operating within CCS through the Cultural and Creative Sectors Guarantee Facility. This EU financing support mechanism is demand-driven and its availability is subject to the take up by local financial institutions or foreign financial institutions with operations in the country. Information on the FIs providing EU guaranteed loans under the Cultural and Creative Sectors Guarantee Facility can be found on the EIF's [website](#).

MARKET FICHE CYPRUS



I. Specificity of the Cypriot market – context and introduction

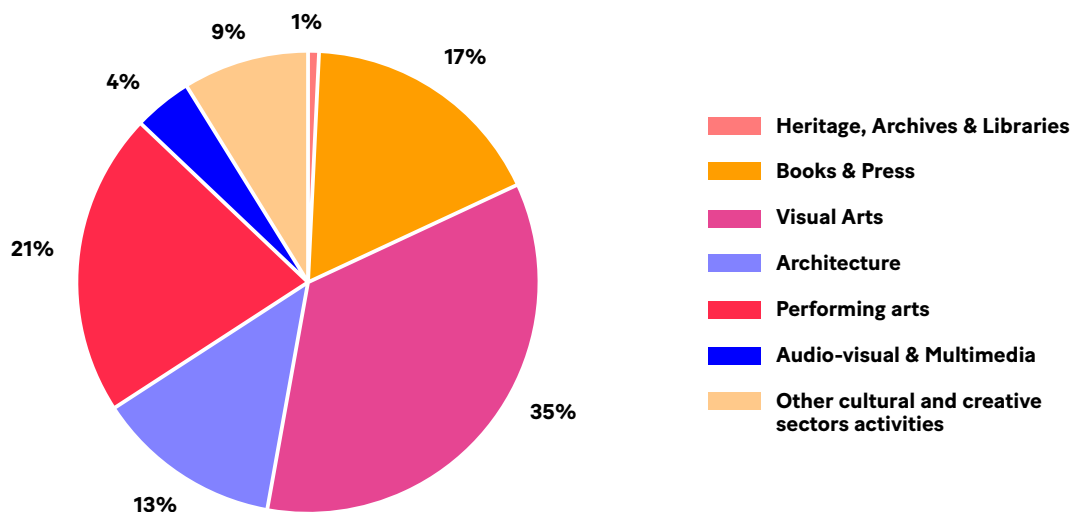
Cyprus is the third largest island in the Mediterranean Sea, which is divided in two communities, between Greek and Turkish Cypriots, and the tensions between communities have long overshadowed the development of Cyprus' cultural policy. Except from the establishment of the national Ministry for education and culture in 1992, the cultural governance of the Republic of Cyprus remained relatively inactive until 2004 which marked the accession of the island to the EU.

The Republic of Cyprus does not rely on a single policy framework towards the enhancement of the cultural and creative sectors, but several programmes exist for the book and music industries, theatre, dance, cinema and festivals. A recent highlight took place in 2017, when Pafos held the title of European Capital of Culture, and developed a EUR 8.5 million cultural programme focusing on intercultural dialogue between the Northern and Southern parts of Cyprus.

II. Presentation of key market data on the CCS

According to the data available at Eurostat, in 2016, Cyprus counted 4,329 enterprises active in the CCS. The leading sectors are visual arts, performing arts and books & press.

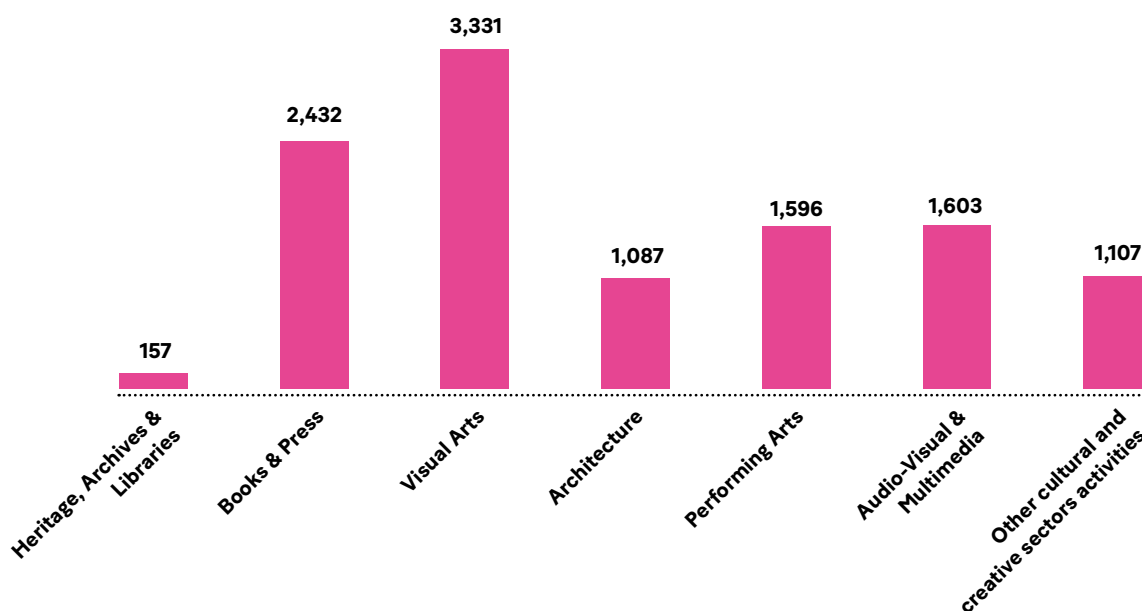
Repartition of CCS companies in 2016



Source: Eurostat

In terms of jobs, 11,313 people were employed in the CCS in Cyprus in 2016. The sectors offering higher job opportunities are visual arts, books & press, and audiovisual and multimedia.

Employees per CCS sector in 2016



Source: Cultural and creative sectors Strategy Austria Report, 2016

The number of Cypriot CCS companies increased from 3,635 to 4,329 between 2011 and 2016. However, Cyprus' CCS workforce decreased by 12.4% between 2011 and 2016. The GVA of the Cypriot CCS, amounting to EUR 284 million in 2016, fell by 13.4% over the same period.

	2011	2012	2013	2014	2015	2016
Number of companies	3,635	3,807	3,788	3,918	4,058	4,329
Employees (in thousands)	12.9	11.9	10.2	10.4	10.5	11.3
GVA (in EUR million)	328	333	234	398	346	284

Source: Eurostat

III. Main financing sources for the CCS

According to the compendium on cultural policies in Europe, 80% of the Cypriot cultural sector is financed by the State. It amounts to 0.98% of the public budget or 0.49% of the Cypriot GDP. The budget of the Ministry of Culture was EUR 32,362,034 in 2011. The enterprises of the CCS are benefiting from grants through a call for applications, with different support schemes which exist for several disciplines, e.g. Dance, Visual Arts, Music, Cinema, Literature, etc. These support schemes are sub-divided into three programmes:

- subsidy programme for individual artists in the fields of literature, music, theatre, visual arts, folk culture / cultural heritage, dance and film;
- subsidy programme for cultural agencies, organisations and foundations in the fields of literature, music, theatre, visual arts, folk culture / cultural heritage, dance and film;
- subsidy programme for the cultural development of municipalities and communities.

In addition to the funding resources of the country the EU enhances access to finance for CCS SMEs and small public organisations operating within CCS through the Cultural and Creative Sectors Guarantee Facility. This EU financing support mechanism is demand-driven and its availability is subject to the take up by local financial institutions or foreign financial institutions with operations in the country. Information on the FIs providing EU guaranteed loans under the Cultural and Creative Sectors Guarantee Facility can be found on the EIF's [website](#).

MARKET FIGHE

CZECH REPUBLIC



I. Specificity of the Czech market – context and introduction

After 2017, when GDP expanded at its second-highest rate in a decade (4.3%), the economic growth in the Czech Republic was expected to grow at a slower pace, reaching 3.0% in 2018. GDP growth is expected to slow down slightly in 2019 and 2020 (2.9% and 2.6% respectively).¹⁴

Household consumption will benefit from rapid wage growth and social transfers. The combination of low unemployment and a low ratio of job seekers (both being the lowest in the EU) should stoke wage pressures. Investment growth is expected to moderate after peaking in 2018, although both private and public sectors will continue to support investment activity, especially in machinery.¹⁵

Currently, the Czech Republic has one of the lowest fertility rates in the world, with growth being entirely driven by immigration. The population is only growing at a very small percentage (i.e. 0.1%) a year.¹⁶

The CCS are part of the State Cultural Policy for 2015-2020 and the development of a Strategy of Support for CCS has been prepared by the Ministry of Culture. Moreover, Creative Industries constitute one of the tasks laid out in the new Concept of Support for the Arts. A definition of CCS was drafted by the Ministry of Culture in the context of a working group related to the use of Structural Funds in the country.¹⁷

There has been an increased interest from ministries (Ministry of Education, Ministry of Industry and Trade and Ministry of Regional Development) in the CCS. At regional level, specific projects for creating creative centres / incubators are developing in connection with the use of Structural Funds. The Ministry of Culture makes use of traditional instruments of support such as grants for the publication of books by national authors abroad or for ensuring Czech participation in fairs and festivals abroad.

II. Presentation of key market data on the CCS

Between 2011 and 2015, the Arts and Theatre Institute conducted a research project intitled Mapping Cultural and Creative Industries, which also focused on defining the CCS in the country. The Mapping collected data on conditions and economic performance of CCS in the Czech Republic and carried out an analysis of the acquired data.

Economic contribution in 2013	1.37% of GDP (CZK 55.9 billion)
	2.26% of GVA (CZK 82.8 billion)
Employment in 2013	2.2% of total employment
	84,200 employees

Source: Compendium – cultural policies and trends, Czech Republic case <http://www.culturalpolicies.net/web/czechia.php?aid=423>

¹⁴ European Commission, *The Czech Republic Economic Forecast, 2018*, https://ec.europa.eu/info/sites/info/files/economy-finance/ecfin_forecast_autumn_081018_cz_en.pdf

¹⁵ Idem

¹⁶ <http://worldpopulationreview.com/countries/czech-republic-population/>

¹⁷ Compendium – cultural policies and trends, Czech Republic case <http://www.culturalpolicies.net/web/czechia.php?aid=423>

In the Czech Republic, the main CCS sectors are advertising, publishing and radio in terms of turnover and GVA. However, cultural heritage and performing Arts are the main sectors in terms of numbers of jobs.

CCS Sector	Turnover (in CZK million)	GVA (in CZK million)	Number of employees
Cultural Heritage	13,312	8,564	18,046
Performing Arts	11,998	5,898	14,440
Fine Arts	5,058	2,464	1,478
Arts Education	8,093	6,275	583
Crafts	763	269	1,636
Film and video	19,479	7,905	1466
Music	2,212	1,155	308
TV	4,454	2,709	1,798
Radio	20,983	8,710	5,582
Publishing	31,562	13,155	13,267
Video Games	1,181	1,021	195
Architecture	18,485	7,425	7,260
Advertising	58,031	13,802	11,991
Design	2,030	578	633
Administration and support of culture	5,671	2,848	2,734
Total	203,312	82,778	81,417

Source: Compendium – cultural policies and trends, Czech Republic case <http://www.culturalpolicies.net/web/czechia.php?aid=423>

III. Main financing sources for the CCS

Public expenditure on culture at every level of public administration decreased from 2010 to 2013 (from CZK 3,446 per capita to CZK 3,296 per capita). The total public budget expenditure on culture out of the total public budget expenditure increased from 1.66% in 2010 to 2.95% in 2013. Total public expenditure in 2013 was CZK 1,173 billion.

The film industry boasts the more robust support and strategic approach in the creative sector in the Czech Republic. With the adoption of the Act on Audiovisual Works and Support for Cinematography (in 2012), the State Cinematography Fund now represents a well-structured and transparent support system. Since 2016, the Fund has guaranteed approximately CZK 200 million per year from the State budget. The Fund primarily supports the production of Czech films and their promotion at home and abroad.¹⁸

Another important source of support is the Czech cash rebate scheme for film production, which is also administered by the State Cinematography Fund. The scheme incentivises foreign filmmakers to shoot their films in the Czech Republic, by offering a 20% rebate on qualifying Czech costs and 66% on withholding tax paid in the Czech Republic.¹⁹ The annual budget for this rebate is CZK 800 million per year.

In addition to the funding resources of the country the EU enhances access to finance for CCS SMEs and small public organisations operating within CCS through the Cultural and Creative Sectors Guarantee Facility. This EU financing support mechanism is demand-driven and its availability is subject to the take up by local financial institutions or foreign financial institutions with operations in the country. Information on the FIs providing EU guaranteed loans under the Cultural and Creative Sectors Guarantee Facility can be found on the EIF's [website](#).

¹⁸ <https://www.filmneueurope.com/news/c>

¹⁹ Czech Film Commission, 2017, https://focal.ch/prodvalue/working_conditions/docs/CzechRepublic/PV17_Czech_Production_Incentives_2017_Summary.pdf

MARKET FICHE DENMARK



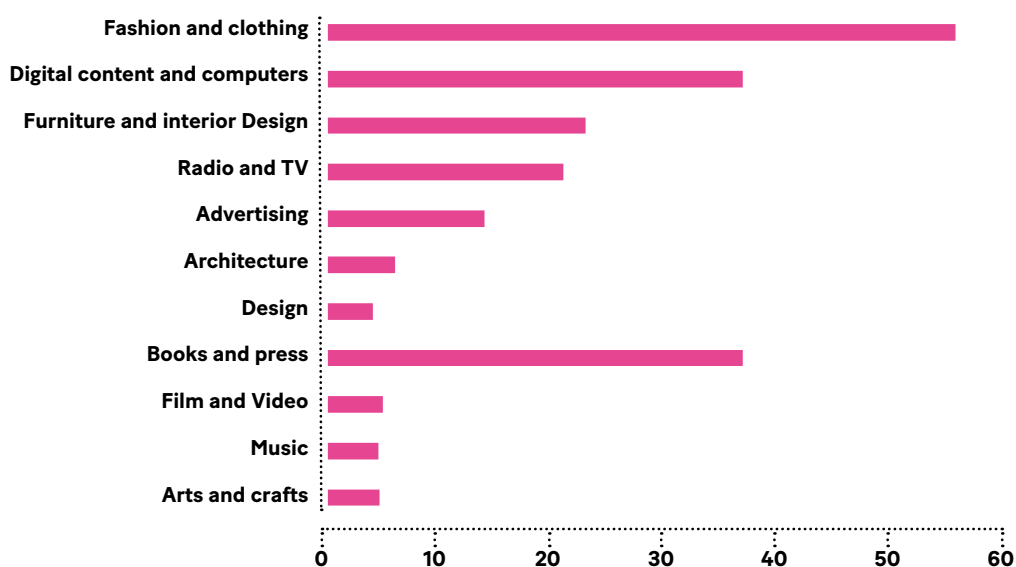
I. Specificity of the Danish market – context and introduction

Since the 1990s, public cultural policies in Denmark have been geared towards economic and political goals. Attracting tourists to support economic development and securing highly skilled employees for the creative industries in the globalised knowledge economies, have been on the agenda of public cultural policies. More attention was paid to include the CCS in the overall economic system. Performance contracts with cultural institutions and their management were introduced in the cultural field to stimulate efficiency in the implementation of the overall aims. This is underpinned by the perspective that closer interactions between the culture and business community can trigger a new social dynamic. These interactions will strengthen culture and the arts, offering new opportunities for development, and add impetus to industrial development driven by innovation, creativity and resourcefulness. In turn, this would generate an increased productivity, contributing to more efficient utilisation of resources and higher competitiveness on international markets. ing Czech participation in fairs and festivals abroad.

II. Presentation of key market data on the CCS

The latest data available report that creative industries in Denmark employed 85,000 people and had a turnover of about DKK 200 billion in 2014. The creative industries thus represented 6-7% of the total revenue and employment in Danish business and industry.

Revenue in the creative industries in 2014 (DKK billion)



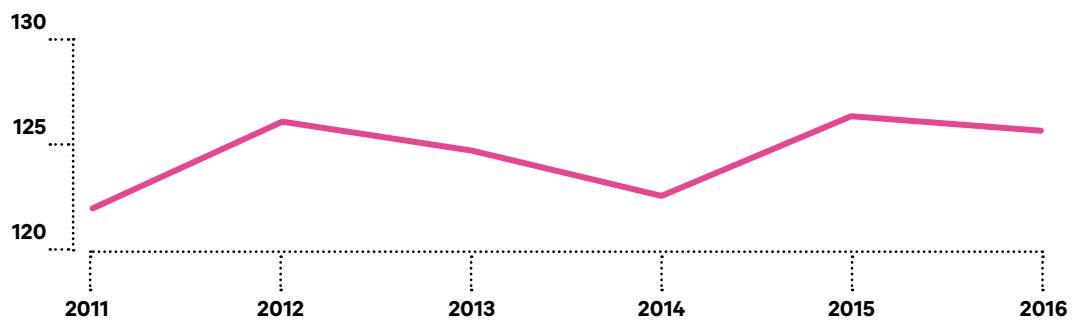
Source: Danish Ministry of Business and Growth, data from 2014

A significant part of the revenue in the creative industries is found in fashion and clothing, DKK 56 billion, which is by far the largest sector in the creative industries, according to the Danish Ministry of Business and Growth.

Not only do creative industries represent a significant share of the Danish economy, they also contribute to growth and employment in the rest of the business sectors in Denmark. The design and advertising sectors provide knowledge and consulting, which supports the product and business development carried out by other businesses.

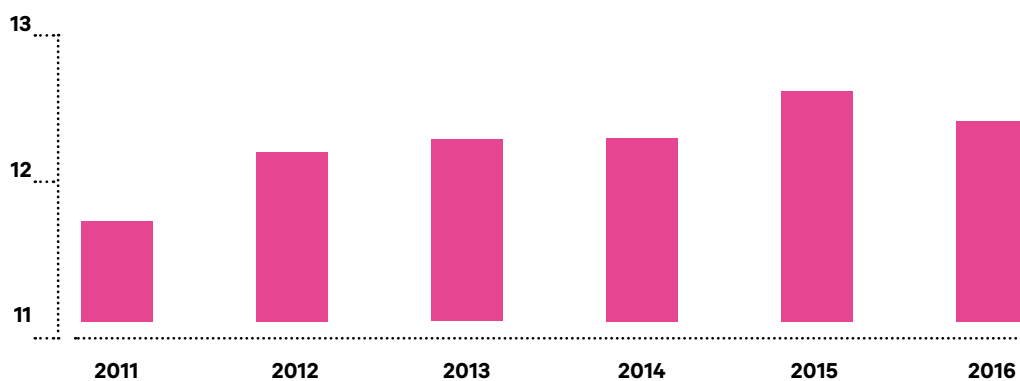
Danish cultural employment has peaked twice from 2011 until when Eurostat data was last updated in 2016. After a trough in 2014, a positive trend started again.

Cultural Employment (in thousands of employees)



Source: Eurostat

Number of companies in the CCS (in thousands)



Source: Eurostat

The same pattern was observed for the cultural and creative enterprises active in the market; although a peak has been registered in 2015, this was followed by a decrease in 2016. Based on data from other sources, across the wider CCS market; design, fashion & clothing, film & video, arts & crafts and architecture sectors have seen strong growth in terms of revenue throughout the period (e.g. fashion and design amounted to DKK 56 billion in revenues in 2014 representing more than 25% of total revenue in the creative industries).

III. Main financing sources for the CCS

Many resources available to the CCS are provided by public funding, mainly deriving from:

- taxes;
- license fees, and;
- profits from the national lottery and football pools.

While tax resources and lottery profits are used to support the arts, culture and sports, license fees are used to finance public service channels on radio and television. Public subsidies are divided between two levels of public administration in Denmark: the central government and municipal councils. Subsidies for individual cultural goals vary strongly among different financial sources. For example, theatre is primarily financed by the State, while libraries receive most of their subsidies from municipal councils.

Domain	Direct expenditure (State)	Municipalities	Total	% total
Cultural Goods	2,262	3,348	5,610	33.7
Arts	2,438	940	3,378	20.3
Media	4,903	18	4,921	29.5
Other	797	1,954	2,750	16.5
Total	10,400	6,260	16,659	100

Source: Compendium cultural policies & trends, <https://www.culturalpolicies.net/web/denmark.php?aid=623>

Moreover, Denmark is promoting the CCS through different tools and funds. There is a wide range of initiatives in place; for instance, a well-known one is the *The Four Experience-zones*, which is a programme partly cultural and partly business-oriented. The four zones are: fashion, computer games, food culture and music. In each field, a project holder is appointed and the goal is for the zones to cooperate internally to create growth and innovation within their field, and in the end create a stronger common ground from which they can promote their experience-goods abroad.

Another relevant fund is called "More Creative 2016-2018"; it is an ambitious, strategic initiative dedicated to creating business growth and jobs by developing the creative industries to the benefit of the Central Denmark Region. More Creative is led by the Central Denmark Region in partnership with Aarhus 2017 to make Denmark a global player in the creative economy. Denmark strongly believes in the creative economy as the economy of the future and indeed, central government is increasingly investing. The initiative develops and supports creative business environments and builds bridges to the wider business community in cooperation with regional knowledge institutions. *More Creative* actively supports four clusters in areas of architecture, design, fashion, and digital visual industries. The focus areas include:

- Development of creative industry clusters through partnerships;
- Improvement of framework conditions for growth in creative industries;
- Network, talent, and business development in creative industries;
- Knowledge sharing and communication for and about creative industries.

Other relevant business foundations supporting the creative sectors through funds and projects are The Tuborg Foundation, which acts with the objective of supporting associations and projects that bring people together in new ways and build bridges between civil society and industry as well as the Danish Art Foundation. In addition to this, there is also a Creative Business investors network, which is a global investors' network focused on creative businesses and startups, laun-

ched by the Creative Business Cup. Furthermore, many foundations provide funds and support to cultural and creative sectors, i.e. the Danish marketing fund which finances the development of new concepts for business advancement that combine culture and business, the marketing of Danish environmental activities, film festivals or the promotion of Danish fashion. In particular, there are many institutes and funds dedicated to the film industry such as:

- The Danish Film Institute,
- The West Danish Film Fund,
- Copenhagen Film Fund and Nordic Film & TV Fond.

In addition to the funding resources of the country the EU enhances access to finance for CCS SMEs and small public organisations operating within CCS through the Cultural and Creative Sectors Guarantee Facility. This EU financing support mechanism is demand-driven and its availability is subject to the take up by local financial institutions or foreign financial institutions with operations in the country. Information on the FIs providing EU guaranteed loans under the Cultural and Creative Sectors Guarantee Facility can be found on the EIF's [website](#).

MARKET FICHE ESTONIA



I. Specificity of the Estonian market – context and introduction

The reflection on cultural and creative industries in Estonia gained momentum in 2003-2004 with a view to approach the size and development potential of these sectors for the national economy. An initial survey was conducted in 2005, followed by two additional surveys in 2009 and 2013. The CCS in Estonia were therefore categorised in the following sectors and activities included:

Sectors	Activities
Architecture	architecture, interior architecture, landscape architecture, planning (related field of activity)
Audiovisual field	film and video, broadcasting
Design	design services
Performing arts	theatre, dance, festivals
Information technology	entertainment IT
Publishing	publishing, printing (related field of activity)
Cultural heritage	handicraft, museums, libraries
Arts	visual arts, applied arts
Music	music businesses and organisations
Advertising	advertising, media intermediation

Source: LoovEesti/Creative Estonia

At State level, the Ministry of Culture and the Ministry of Economic Affairs and Communications are responsible for the development of creative industries. Close cooperation between the two ministries led to the inclusion of the CCS in the agenda of the National Strategy for European Union Structural Funds for 2007-2013.

Acknowledging and valuing the potential of CCS in Estonia is part of the strategy to position the country as an economy providing production-related creative services (in product development, engineering, design and marketing) and to achieve a more profitable position in value chains.²⁰ The *Operational Programme for the Development of the Economic Environment* lists support to the creative industries as one of its seven priority areas through raising the innovation and growth capacities of enterprises of the CCS and encouraging cross-overs with other sectors, infusing creativity in the business community. Other priorities include internationalisation, innovation, access to capital, the creation of new businesses, knowledge and technology transfer and the development of tourism.

In this configuration, cultural and educational institutions focus on early stages of the creative value chain (creation phase) through educating creative professionals and intermediary organisations and they support the core arts fields and cultural industries.

²⁰ Ragnar Siil, <https://www.looveesti.ee/en/cci/creative-industries-policy-estonia/>

II. Presentation of key market data on the CCS

The key characteristics of Estonian creative industries according to the 2005, 2009, 2013 and 2017 national surveys (on the basis of statistical data from 2003, 2007, 2011 and 2015, respectively) display a steady growth in terms of number of companies, employees and income. However, the GDP growth of the country outperforms the growth of the CCS, as the share of the sector in the economy is slightly decreasing:

Year	2003	2007	2011	2015
Number of Employees	19,891	27,951	29,200	30,681
<i>% Of total employment</i>	3.4%	4.3%	4.8%	4.8%
Number of Enterprises and Organisations	2,307	4,921	7,066	9,098
<i>% Of total number of enterprises</i>	6.3%	9.4%	11.4%	11.6%
Total Revenue (EUR millions)	608	1,143	1,067	1,481
<i>% Of Estonian GDP</i>	2.8%	2.9%	2.7%	2.8%

Source: <https://www.looveesti.ee/en/cci/overview/> and Estonian Institute of Economic Research (2018)

The more recent mapping shows that the CCS' turnover amounted to EUR 1,481 million in 2015 (including 632.1 million for cultural industries), and contributed to the Estonian GVA with EUR 594,7 million (including EUR 220.8 million for cultural industries).²¹ In 2015, the CCS amounted to 4.8% of total employment and 2.8% of the overall Estonian GDP, according to Creative Estonia, a creative industries development centre funded by the Estonian Ministry of Culture.²²

Nonetheless, Estonian companies are small and their activities are fragmented, which counteracts investments and growth in terms of export potential.

In Estonia, young people's share of culture-related jobs is higher than in the rest of the EU. Besides, the cultural workforce is highly qualified: more than 60% having completed tertiary education.²³

III. Main financing sources for the CCS

CCS measures and policies are coordinated in close cooperation between the Ministry of Culture and the Ministry of Economic Affairs and Communications.

Government expenditure on culture	EUR 250,300,000
Share of culture in total government budget	3.20%
Government expenditure on culture per capita	EUR 187.00
Share of spending on culture by central government	54.90%

Data for 2010. Source: Compendium of Cultural Policies, Estonian chapter

The Cultural Endowment of Estonia supports the arts, the construction and renovation of cultural infrastructure, folk culture, physical activity and sports through the accumulation of funds and their distribution for specific purposes.

²¹ Estonian Institute of Economic Research (2018) Eesti loomemajanduse olukorra uuring ja kaardistus. Tallinn, April 2018. https://www.looveesti.ee/wp-content/uploads/2018/05/1_Eesti_loomemajanduse_olukorra_uuring_ja_kaardistus.pdf

²² Estonian Institute of Economic Research (2018) Eesti loomemajanduse olukorra uuring ja kaardistus. Tallinn, April 2018. https://www.looveesti.ee/wp-content/uploads/2018/05/1_Eesti_loomemajanduse_olukorra_uuring_ja_kaardistus.pdf

²³ Eurostat (2016) Culture statistics, 2016 edition.

Enterprise Estonia – one of the largest institutions within the national system for entrepreneurship support – implements programmes that are not specific to the CCS but have been leveraged to successfully finance creative businesses and networks: e.g. cluster support programme, export support and joint marketing programmes, skills and knowledge development programme, awareness raising and entrepreneurship promotion programmes. EUR 6.3 million were also earmarked in a CCS specific programme to finance the development of support structures including creative incubators, hubs and centres.²⁴ In 2009, Enterprise Estonia launched an integrated awareness raising programme: Creative Estonia. It serves as the national creative industries development centre, which helps to promote and develop creative industries and creative businesses in Estonia and abroad and to show the innovation potential of the CCS in other sectors.

Thanks to the continuous rise of the role of the private sector, combined with the revenue generated by creative organisations themselves, the upkeep of the CCS is not only dependent on government funding. In its 2020 Strategy, the Estonian Ministry of Culture commits to create supportive conditions to trigger private investment in culture (from entrepreneurs, NGOs and individuals) as well as to conduct initiatives in partnership with private companies.

Besides, the country invests large sums from EU structural funds in the cultural infrastructure to strengthen regional competitiveness and enhance tourism activities.

In addition to the funding resources of the country the EU enhances access to finance for CCS SMEs and small public organisations operating within CCS through the Cultural and Creative Sectors Guarantee Facility. This EU financing support mechanism is demand-driven and its availability in Estonia is subject to the take up by local financial institutions or foreign financial institutions with operations in the country. Information on the FIs providing EU guaranteed loans under the Cultural and Creative Sectors Guarantee Facility can be found on the EIF's [website](#).

²⁴ <https://www.looveesti.ee/en/ci/creative-industries-policy-estonia/>

MARKET FICHE FINLAND



I. Specificity of the Finnish market – context and introduction

Intangible capital, such as creativity and know-how, is a new growth factor in the current Finnish economy. The competitiveness of the nation is no longer determined solely by traditional labour factors (labour, capital and production assets) and between them but developing intangible capital has become a new priority. An increasing part of the investments are subject to intangible capital instead of tangible capital to spur growth and productivity.²⁵

II. Presentation of key market data on the CCS

According to Statistic Finland, employment in cultural industries grew by around 3% in 2015 compared to the previous year. The number of people employed in cultural industries was 99,568 in 2012 and nearly 113,600 in 2015.

Cultural and creative sectors turnover (in EUR million)

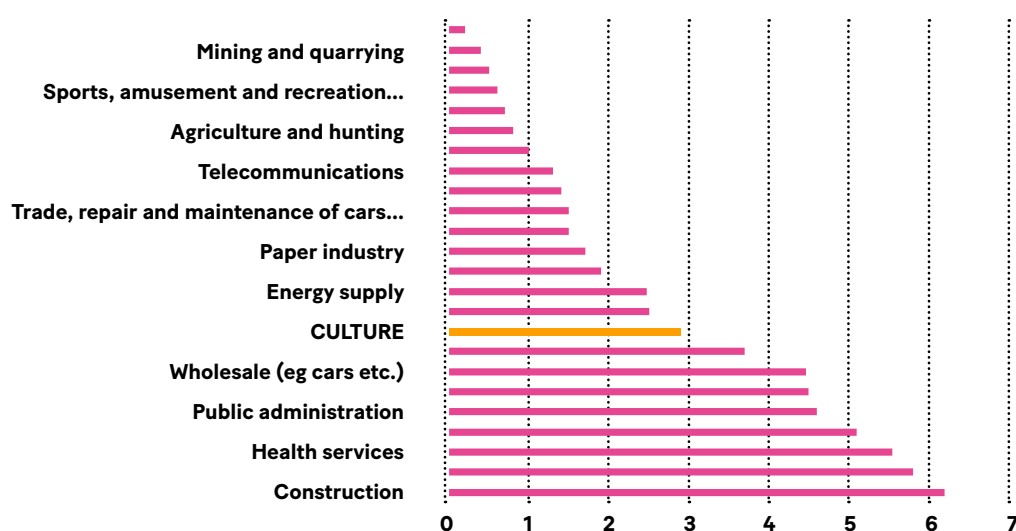
	2012	2013	2014	2015
Publishing	17,238	14,109	12,702	14,041
Advertising	10,414	9,482	8,856	11,314
Museums and heritage activities	13,199	9,947	11,625	10,839
Creative, arts and entertainment activities	18,659	20,810	18,133	16,205
Other industries	40,058	37,207	58,994	61,168
Total	99,568	91,555	110,310	113,567

Source: Statistics in Finland on Cultural employment, 2015

The number of people working in advertising occupations has recovered in 2015 after a negative trend from 2012 to 2014. Overall, the number of employees in the creative, arts and entertainment activities according to the Finnish statistics, has fallen by around 13% between 2012 and 2015, and employment in the publishing sector decreased by 19% over the same period. Employment among public relations professionals, archivists and librarians, and curators (included in Museums and heritage activities) has also fallen by around 18%. The growth in cultural employment is driven by other industries (including notably audiovisual and multimedia), with 21,110 new jobs created between 2012 and 2015.

²⁵ Promoting the creative economy and intangible value creation as spearheading growth sectors. Report of the working group on recognising the creative sectors as a driver of Finnish economy and employment, 2016, Finland.

Value added of some economic key sectors in 2014 (in % of total GVA)



Source: Creating a Creative Economy and Intangible Value for Growth. A Creative Tool for the Finnish Employment and Economic Development Working Group report, 2016.

Culture in Finland represents a sizable part of the economy, and is identified as one of the key sectors in the country. For instance, represented in the chart above, culture's share of the country's GVA (2.9%) is comparable to the energy supply sector.

Share of value added per sector in % of CCS GVA

Sector	2010	2011	2012	2013	2014	2015	2016
Artistic, theatre and concert activities	9	8.6	8.9	10.2	10.4	10.3	10.3
Libraries, archives, museums etc	5.5	5.7	5.7	6.2	5.9	6.1	5.7
Art and antique shops	0.1	0.1	0.1	0.2	0.2	0.2	0.2
Production and distribution of books	6.6	6.6	6.7	6.8	7.2	7.2	8.1
Newspaper and news agencies	18.2	18.1	17.9	16.1	15.4	14	12.9
Audiovisual	5.3	5.5	6.9	6	5	5.9	5.8
Manufacture	0.2	0.2	0.2	0.2	0.3	0.2	0.3
Sound recordings	1	1	1.2	1.4	1.7	1.8	2.1
Radio and Television	9.3	9.9	7.8	7.2	8.7	8.2	7.3
Printing and related activities	9.5	8.4	8.4	8.2	7.9	7.2	6.8
Advertising	11.4	11.4	11.5	11.6	11.6	11.4	11.4
Architectural and industrial design	5.7	5.8	5.9	6.2	6.3	6.6	7.2
Photography	1.8	1.4	1.4	1.5	1.3	1.5	1.8
Gaming	7.7	8.2	7.8	7.8	7.9	9.1	9.9
Entertainment electronics	1.8	2.1	1.9	1.8	2	2.2	1.8
Organisation of cultural events	3.1	3.1	3.5	4.3	3.8	3.8	4.4
Education and cultural administration	3.8	3.9	4.1	4.3	4.3	4.3	4.1
TOTAL	100	100	100	100	100	100	100

Source: Culture Satellite Accounts 2016 ²⁶

Finland is one of the few European countries with a specific statistics system (satellite account) for the CCS, which allows for a more fine-grained data collection in this field.

Considering the above sector breakdown from 2010 to 2016, i) gaming, ii) architectural and industrial design and iii) production and distribution of books have observed the highest increases in terms of their contribution to the CCS GVA. On the other hand, i) newspaper and news agencies, ii) printing and related activities and iii) radio and television have decreased their relative share on the CCS economic activity.

III. Main financing sources for the CCS

More attention is now being paid by the government in promoting culture and creative industries in order to generate more revenues and jobs across the CCS.

Government grants for cultural exports by the Ministry of Education and Culture are focused on production, marketing, networking and branding where small businesses in the cultural sector usually lack resources. Some foundations are increasingly active in this sense: *The foundation for product and service development in art and culture* is the funding of art and culture awarded to art and cultural operators from the Ministry of Education and Culture and the Arts Promotion Center and funds are available for the development of start-up businesses.

CCS funding is mainly intended for the production of artistic content. For example, the Arts Promotion Center grants scholars, prizes and grants to artists and communities. Funding may be granted by other organizations such as foundations. The forms of funding include the DigiDemo, CreaDemo and CreMA grants awarded through the Audiovisual Culture Promotion Center AVEK. Their aim is to achieve new product development, product and service innovations. In addition, AVEK annually organizes a pitch competition, where it rewards innovative products and service ideas in the creative industry.

Another relevant system to mention is the production incentive for the audiovisual industry supported by Business Finland. The production incentive is a 25% cash rebate for production costs in Finland. This is intended to increase international interest in Finland as a production location and to promote the development, growth, and internationalisation of Finnish companies.

In addition to the funding resources of the country the EU enhances access to finance for CCS SMEs and small public organisations operating within CCS through the Cultural and Creative Sectors Guarantee Facility. This EU financing support mechanism is demand-driven and its availability in Finland is subject to the take up by local financial institutions or foreign financial institutions with operations in the country. Information on the FIs providing EU guaranteed loans under the Cultural and Creative Sectors Guarantee Facility can be found on the EIF's [website](#).

MARKET FICHE FRANCE



I. Specificity of the French market – context and introduction

France is one of the leading European markets for the CCS, supported over the long run by an ambitious policy and regulatory framework. The audiovisual sector is a prime example of this comprehensive support, with different policy tools in place, such as the Centre National du Cinema, IFCIC²⁷, as well as State aid schemes for the audiovisual sector. This is complemented by a comprehensive regulatory framework, notably through a strong copyright protection and enforcement mechanisms for, a specific statute for artists and CCS technicians, or promotion of French and European works on television and on video on demand (VOD) services.

Reduced VAT rates for books, cinema tickets or music also support the consumption of CCS goods and services.

CCS policies in France are chiefly geared towards the production of artistic and cultural content, and successive governments have championed its model at the highest political and trade levels, through the 'exception culturelle' policy. This policy seeks to exclude culture from free trade agreements, and therefore maintain the robust array of public support schemes in France.

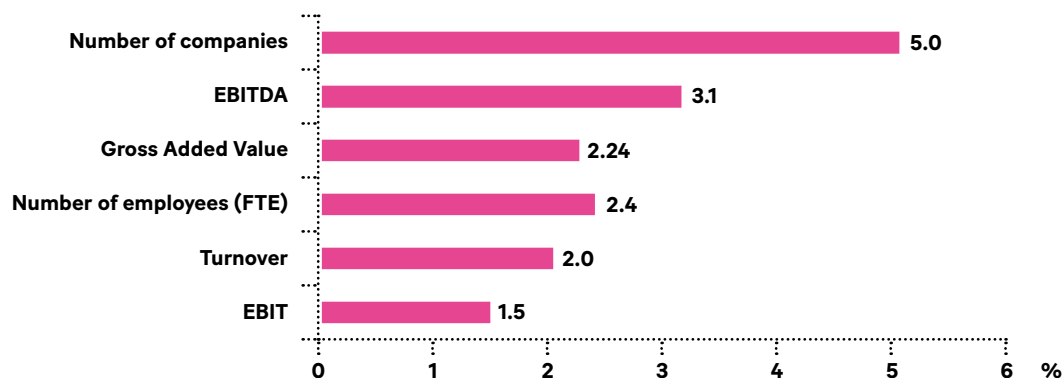
France is home to some leading CCS companies: Universal Music Group and Deezer for music; Ubisoft or Ankama for video games; and Hachette for publishing, to name a few.

The French market is mostly focused on cultural sectors, in line with its public policies (audiovisual, performing arts, publishing). However, this focus is gradually shifting towards more market-oriented CCS too (e.g. through the launch of a video games tax shelter scheme).

II. Presentation of key market data on the CCS

According to the French Ministry of Culture, the CCS represent a fairly large economic sector, totaling 297,769 jobs, and generating a turnover of around EUR 77 billion in 2015.

Share of the CCS on total economic sectors in 2015



Source: Insee, Esane 2015/DEPS, Ministry of Culture 2018. Note: due to data limitations, the above figure does not cover data for micro-businesses, agriculture, and insurance and financial service (except for GVA).

²⁷ IFCIC is one of the financial intermediaries operating under the Cultural and Creative Sectors Guarantee Facility of the EU

The CCS in France are chiefly composed of SMEs and freelancers. The percentage of CCS companies in the overall economy (5%) thus outweighs by far its share in turnover or employment, which amount to 2% and 2.4% respectively.

As detailed in the table below, in 2015, the composition of the CCS market demonstrates a clear predominance of the audiovisual sector in terms of turnover and gross value added (GVA). Visual arts are composed of much more companies than any other sectors (41,109 companies), but represented a much smaller portion of turnover across the CCS.

CCS Sectors	Number of companies	Turnover (in EUR millions)	GVA (in EUR millions)
Cultural Heritage	508	433	189
Books and Press	24,188	21,147	6,900
Visual arts	41,109	4,117	1,847
Architecture	25,851	5,769	3,316
Performing Arts	13,637	4,773	1,639
Audiovisual, including	19,072	26,897	11,635
<i>Music</i>	4,367	2,617	1,114
<i>Video Games</i>	225	1,620	644
Advertising	14,833	13,598	5,021
Cultural education	2,361	258	94
ALL CCS	141,559	76,992	30,641

Source: Insee, Esane 2015 / DEPS, Ministry of culture 2018

The economic weight of the CCS in the French economy has remained relatively stable over time, with a slightly negative trend. The table below provides an overview of the evolution of the share of the CCS value added in the overall economy, expressed in percentages.

Evolution of the CCS GVA per sector (2010-2015, in % of total economy GVA)

	2000	2005	2010	2015	Change 2010-2015
Performing arts	0.31	0.36	0.37	0.35	-5.41
Audiovisual	0.65	0.69	0.63	0.64	1.59
Cultural Heritage	0.14	0.18	0.20	0.21	5.00
Cultural Education	0.11	0.11	0.10	0.10	0.00
Book	0.18	0.17	0.15	0.13	-13.33
Press	0.46	0.40	0.32	0.28	-12.50
Visual Arts	0.15	0.15	0.13	0.12	-7.69
Architecture	0.14	0.17	0.18	0.16	-11.11
Advertising	0.33	0.29	0.27	0.25	-7.41
Total CCS	2.47	2.52	2.35	2.24	-4.68

Source: Insee, national accounts – basis 2010/DEPS, Ministry of Culture, 2018

The book and press sectors follow an overall negative trend, being under pressure from the digital disruption of their business model. In 2013, an agreement was established between Google and the government to support the development of new digital business models for these sectors, via a EUR 60 million fund.²⁸

Although the above table only covers the evolution of each sector's contribution to the French economy's GVA, other reports have noted some positive trends in terms of revenues and employment for the period 2011-2013:²⁹

- In terms of revenues: visual arts grew by 8% reaching EUR 20,353 million, music by 3% to reach EUR 5,317 million, performing arts by 3% totaling EUR 6,662 million, and advertising by 1% reaching EUR 14,395 million in revenues.
- In terms of employment: the television sector displayed a 6% growth in employment to a total amount of 134,763 jobs, visual arts by 3% totaling 303,993 jobs, music by 3% to reach 234,702 jobs and performing arts by 2% to a total of 235,200 jobs.

III. Main financing sources for the CCS

The French government invests significantly in the CCS, either through direct funding schemes or via agencies such as the Centre National du Cinéma (CNC).

The support provided is earmarked for several sectors. The 2019 budget foresees the following amounts:³⁰

- Press and other media: EUR 281 million.
- Book publishing and other cultural industries (especially music): EUR 300 million.
- Cinema, audiovisual production and video games: EUR 695 million.

In addition, a wide array of tax incentive schemes for the CCS have been set up in France. In total, EUR 1.5 billion of tax deductions are granted every year by the State. The main tax incentives include:

- For fashion: '*credit d'impôt collection*' is a tax incentive for up to 30% of eligible expenses in the fashion sector (launch of a new collection).
- For the music sector: the '*crédit d'impôt en faveur de la production phonographique*' offers a 30% cash rebate to music production and post-production for music producers (SMEs).
- For video games, the tax rebate covers 30% of production expenses, for up to EUR 6 million per beneficiary company.
- For the audiovisual sector, the tax incentive scheme covers 30% of eligible expenses, with a EUR 30 million ceiling. It includes specific language and location conditions.

In addition to the tax incentive, some public and private financing solutions have been developed in the audiovisual sector: Cofiloisirs (BNP Paribas) and Coficiné (Natixis) offer a variety of financial products (mainly loans) tailored for the audiovisual sector.

IFCIC has a public mandate to support investment in the CCS. It manages two types of financial instruments: guarantees and loans. IFCIC offers financing solutions and financial/banking expertise directly to cultural and creative companies, and a guarantee or co-financing solutions to banks. By 2017, the total outstanding volume of loans guaranteed or granted by IFCIC amounted to EUR 1 billion, for nearly 1,000 CCS companies.

In addition to the funding resources of the country the EU enhances access to finance for CCS SMEs and small public organisations operating within CCS through the Cultural and Creative Sectors Guarantee Facility. This EU financing support mechanism is demand-driven and its availability is subject to the take up by local financial institutions or foreign financial institutions with operations in the country. Information on the FIs providing EU guaranteed loans under the Cultural and Creative Sectors Guarantee Facility can be found on the EIF's [website](#).

²⁸ <https://www.economie.gouv.fr/accord-google>

²⁹ EY (2015) Création sous tension 2e Panorama de l'économie de la culture et de la création en France. October 2015.

³⁰ Ministère de la Culture (2018) Présentation du projet de loi de finances 2019 du ministère de la culture. 24 septembre 2018. Available at : <http://www.culture.gouv.fr/Nous-connaître/Decouvrir-le-ministère/Budget/Projet-de-loi-de-finances-2019>

MARKET FICHE GERMANY



I. Specificity of the German CCS market – context and introduction

One of the main current objectives of CCS policy in Germany is cultural participation. The CCS policy thus deals with social challenges such as demographic trends, migration flows, handling value systems, financial development, economisation, and digitalisation.

In this context, the CCS are increasingly gaining attention for both economic and social purposes. Spanning over a wide range of different fields ranging from architecture and music to advertising, the CCS are a diverse business sector. People working in the industry include freelance artists and creative minds and art dealers, agents and gallery-owners who have set up micro-enterprises.

According to the 2017 Cultural and Creative Industries Monitoring Report by the Federal Ministry for Economic Affairs and Energy, the CCS help to build a fast-growing, innovative and knowledge-based economy and in fact, the CCS are among the fastest-growing industries in the global economy.

However, the sector needs to become more competitive and income opportunities of innovative small cultural businesses and freelance artists need to improve. This is why in 2007, the Federal Government launched the Cultural and Creative Industries Initiative, providing support and elaborating targeted policies for the CCS. The initiative is coordinated by the Federal Ministry for Economic Affairs and Energy and the Federal Government Commissioner for Culture and the Media.

II. Presentation of key market data on the CCS

Since the late 1980s, the cultural and creative industries have turned into one of the most dynamic sectors in the global economy. Estimates show that they added nearly EUR 99 billion to the German economy in 2016. This means that, for the first time, the sector has outstripped key economic sectors like the chemical industry, energy suppliers and financial services.

The Cultural and Creative Sectors in 2016

Turnover (in EUR million)	158,840
Employment (in thousands)	1,640
Number of companies	254,484
GVA (in % of total economy)	3.1

Source: Bundesministerium für Wirtschaft und Energie (BMWi), Monitoringbericht Kultur und Kreativwirtschaft 2018

In 2016, there were approximately 1.64 million people in Germany working in the cultural and creative industries, of which 1,120,080 were full-time employees or entrepreneurs, and 519,966 were part-time employees. In 2016, the number of full-time employees rose by an estimated 3.5 per cent.³¹

³¹ BMWi (2018), Monitoringbericht Kultur und Kreativwirtschaft 2018. https://www.kultur-kreativ-wirtschaft.de/KUK/Redaktion/DE/Publikationen/2018/monitoring-wirtschaftliche-eckdaten-kuk.pdf?__blob=publicationFile&v=14

The number of companies active in the CCS amounted to 254,484 in 2016, which represents a 1.1% increase from 2015. Even with a continuous growth in the number of companies in the CCS since 2009, the proportion of all companies in Germany which are in the cultural and creative industries has remained relatively constant and currently stands at 7.7%.

The CCS companies generated an estimated turnover of EUR 158 billion in 2016. This translates to an overall turnover increase of around 1.5% compared to 2015. Similarly to the trend observed with the number of companies, CCS turnover has also recorded an almost uninterrupted growth since 2009. Furthermore, the CCS GVA reached EUR 99 billion in 2016, which is nearly 4.2% higher than the GVA achieved in 2015. The sector contributed approximately 3.1% of Germany's GVA.³²

III. Main financing sources for the CCS

To foster competitiveness and dynamism in the overall German Economy, the Cultural and Creative Industries Initiative was launched by the German government. This seeks to give the sector a competitive edge and to help create even more jobs.

According to the Mannheim Enterprise Panel, around 9,900 active companies were set up in the cultural and creative industries in Germany in 2017. On the architecture market in particular, the number of start-ups increased significantly, and the design industry, the advertising market, the art market and the broadcasting industry also reported a positive development at the end of 2018.

In addition to this, innovative small cultural businesses and freelance artists are given better opportunities for earning a financial benefit out of their ventures, also thanks to the private sector funds system. For instance, "the Center of Creative Industries of the Frankfurt Economic Development" which is focused on strengthening the creative economy on location and on promoting Frankfurt as a Creative Hot Spot. They work very closely with the municipal offices, providing and supporting specialized communication platforms for creative industry businesses. They offer services designed to help creative industry professionals improve their skills, as well as their business and knowledge base.

Furthermore, the Federal Ministry for Economic Affairs and Energy is using the Cultural and Creative Industries Initiative to support the sector in many different ways. The government seeks to give the cultural and creative industries what it takes for them to be able to establish themselves as a distinctive sector, and to withstand competitive pressure. At the same time, the government would like to foster stronger business networks within the sector itself. The Federal Ministry for Economic Affairs and Energy is also promoting the innovative capacities and competitiveness of the German film industry. It has therefore established the "German Motion Picture Fund".

In addition to this, due the fact that creative entrepreneurs find it challenging to fund their new business, various banks and financial institutions provide a range of financial products and services designed to enable the growth of CCS businesses.

The BM H Participation-Management Company Hesse offers various funds, which were created to offer good conditions for a lasting and solid business growth by means of several forms of investments. At the same time, BM H is the contact hub for Micro Mezzanine Fund Germany. The Guarantee Bank Hesse furthermore provides indemnity bonds and participation guarantees. An interesting instrument especially for young innovative companies is the venture capital investment grant INVEST from the Federal Office of Economics and Export Control. Other relevant funding schemes include:

- The KfW Bank Group / European Bank for Reconstruction and Development Bank Group offers a wide range of financing models in order to help build businesses, as well as expanding, consolidating, and structuring them sustainably.
- The High Tech Startup Fund or the German Silicon Valley Accelerator finance – offering attractive terms – to young technology companies. In addition, there are several crowdfunding platforms and the Business Angels FrankfurtRhineMain, which could also be potential financing options for

³² BMWi (2018), Monitoringbericht Kultur und Kreativwirtschaft 2018. https://www.kultur-kreativ-wirtschaft.de/KUK/Redaktion/DE/Publikationen/2018/monitoring-wirtschaftliche-eckdaten-kuk.pdf?__blob=publicationFile&v=14

CCS. Some of these platforms are specialized in creative projects such as Startnext, Kickstarter, or Indiegogo.

- A micro-loan can be a useful tool for pre - or interim - financing orders or for undertaking investments. The micro-credit fund of the German Federal Government was created specifically for the needs of small and medium sized companies in the CCS.

In addition to the funding resources of the country the EU enhances access to finance for CCS SMEs and small public organisations operating within CCS through the Cultural and Creative Sectors Guarantee Facility. This EU financing support mechanism is demand-driven and its availability is subject to the take up by local financial institutions or foreign financial institutions with operations in the country. Information on the FIs providing EU guaranteed loans under the Cultural and Creative Sectors Guarantee Facility can be found on the EIF's [website](#).

MARKET FICHE GREECE



I. Specificity of the Greek market – context and introduction

Greece is endowed with a formidable classical heritage. The Greek government has traditionally invested strongly in the field of cultural heritage rather than in the CCS in general. However, it has nowadays increasingly supported creativity, access and financial exploitation of the arts.

In 2009, the economic crisis that started in Greece had a strong negative impact on the economic performance of the cultural and creative sectors, following the wider downturn. The CCS value added plummeted by 55.1% from 2008 to 2014, the number of employees by 29.5% and the number of enterprises by 27.9%. However, despite the large reductions in key figures since 2008, the CCS in Greece seems to have recovered in 2014, recording an increase in value added (+6.9%) compared to 2013. Moreover, the number of workers and enterprises, as well as sales volumes seem to have stabilised for the first time in six years.

II. Presentation of key market data on the CCS

In 2014, the cultural and creative sectors in Greece employed 110,688 employees in 46,370 enterprises, which have sold goods and services of about EUR 5.3 billion, with about EUR 2.1 billion value added for the Greek economy, and 1.4% contribution to GDP. During the same period, in the EU the CCS constituted 2.8% (EUR 353 billion) of the European GDP, through 1.7 million enterprises that employed 6.1 million employees.³³ The table below presents a breakdown per sector of the CCS, the negative change since 2008, as well as the more recent recovery between 2013 and 2014.

Sectors	Employment			Value added		
	N. of Employees 2014	2008-2014 change (in %)	2013-2014 change (in %)	Value added 2014 (in EUR million)	2008-2014 change (in %)	2013-2014 change (in %)
Printing, manufacture and handcrafts	8,428	-36.80	-7.00	184.45	-36.50	6.80
Retail sale of cultural goods	5,909	-16.40	5.80	39.75	-56.70	-11.20
Publishing	16,224	-39.20	1.30	371.70	-52.30	4.10
Software publishing and computer programming	9,337	0.50	3.50	296.85	-30.20	16.80
Audiovisual	9,746	-32.20	0.70	208.10	-57.90	54.80
Television, radio and communication	7,357	-53.80	15.20	202.70	-71.00	15.70
Architecture	21,223	-27.70	-0.10	232.60	-77.20	-15.70
Advertising	11,370	-9.60	-3.90	271.20	-39.20	3.90
Special design	2,394	-0.20	0.10	29.30	-47.60	27.90
Arts and recreation	11,200	-11.10	-10.40	198.60	-40.90	-6.70
Libraries and museums	7,500	-43.60	15.40	88.80	-2.60	16.80
Total CCS	110,688	-29.50	0.40	2,124.05	-55.10	6.90

Source: Hellenic Ministry of Culture and Sports Executive Unit-Partnership Agreement for the Development Framework 2014-2020, mapping the cultural and creative industries in Greece

³³ Hellenic Ministry of Culture and Sports Executive Unit-Partnership Agreement for the Development Framework 2014-2020, Mapping the cultural and creative industries in Greece

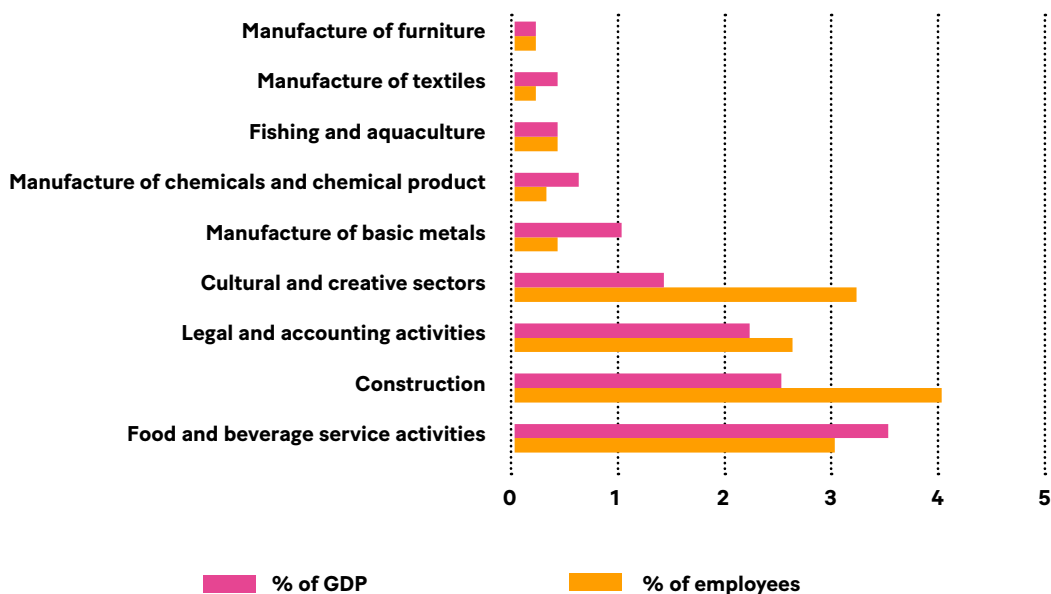
The CCS in Greece tend to cluster geographically, which is shown by the concentration around larger urban centres of cultural and creative production, employment and number of enterprises. The Region of Attica produces 75.5% of the GVA of the CCSs in Greece, with 57.3% of creative enterprises, which employ 60.8% of the total number of people employed in the CCS. Second to the Region of Attica comes the Region of Central Macedonia with a 10.1% share in GVA, 12.2% of employees and 13.5% of enterprises. The remaining 11 Regions share 14.3% of the GVA, 27% of employees and 29.1% of enterprises.

In the overall economic system, the CCS are playing an important role. Due to the 2009 economic crisis, many CCS have shrunk. In particular, the 'libraries and museums' sector and the 'television, radio and communication' industry had the largest declines in employment from 2008 to 2014 (-43.6% and -53.8% respectively). After this severe period of recession, in 2014 employment increased by 15.4% and 15.2% respectively. The same trend is also observed in the above sectors in terms of value added.

The value added of the 'special design' sector increased by 27.9% in 2014, while the 'software publishing and computer programming' industry registered an increase of 16.8%. The largest increase in value added in 2014 (54.8%) was recorded by the audiovisual sector (film, video, music and photography), which had suffered a cumulative decrease in value added by 57.9% from 2008 to 2014.

In 2008, the CCS in Greece had a value added of EUR 4.7 billion (2.2% of GDP), which decreased to about EUR 2.1 billion (1.4% of GDP) in 2014. The decline in the value added of CCS in Greece from 2008 to 2014 reached 55.1%, with an average annual decrease of 12.5%. In fact, the value added of the CCS in Greece followed the trend of negative GDP movement.

Key figures of selected sectors of the Greek economy in 2014 (in %)



Source: Hellenic Ministry of Culture and Sports Executive Unit-Partnership Agreement for the Development Framework 2014-2020, Mapping the cultural and creative industries in Greece

In 2014, the CCS represented a significant share of the total employment in Greece (3.2%) in 2014, comparable to food and beverage service activities sector (3%) and to the construction sector (4.0%). CCS, however, represented a lower contribution to the country's GDP (1.4%). The food and beverage activities sector and the construction sector respectively contributed with 3.5% and 2.5% of total GDP in Greece.

III. Main financing sources for the CCS

Greece's financing for the CCS is shifting from State support to local authorities and to the private sector. The task of developing and implementing specific programmes has gradually become the responsibility of sectoral or local organisations and, with the exception of cultural heritage protection and national arts organisations, funding for operational programmes has gradually shifted from central to regional and local government.

Historically, the budget of the Ministry of Culture represents a small fraction of the State budget. Some public investments relevant to the arts or heritage are provided by other Ministries (Public Administration, Public Works, Press and Media).

In recent years, culture has been increasingly dependent on funding from the EU Community Support Framework, cultural attraction visitors and sales revenues, and, since the mid-1990s, on the Lottery Fund, administered by the Ministry of Culture. Major programmes, such as the Athens (1985), Thessaloniki (1997) and Patras (2006) European Capital of Culture events, the Cultural Olympiad events linked with the Athens 2004 Summer Olympics, and investments in cultural infrastructure, such as the Athens and Thessaloniki Concert Halls, could not have taken place without these financing sources.

Public sector financing for CCS businesses is scarce. In contrast, the private sector is increasingly creating funds to be allocated to the CCS. Moreover, since the late 2000s, third sector foundations such as, notably, the Alexandros Onassis Foundation and the Stavros Niarchos Foundation, are making a significant impact on the financing of culture through, mainly, the establishment or co-sponsoring of major capital projects and, to a lesser extent, support for artistic creativity and participation. Most initiatives are in Athens, including the multipurpose Onassis Cultural Foundation Centre established in 2010, and the large Niarchos-sponsored cultural complex in the Phaleron area, including new buildings for the National Library and the State Opera House.

In addition to the funding resources of the country the EU enhances access to finance for CCS SMEs and small public organisations operating within CCS through the Cultural and Creative Sectors Guarantee Facility. This EU financing support mechanism is demand-driven and its availability is subject to the take up by local financial institutions or foreign financial institutions with operations in the country. Information on the FIs providing EU guaranteed loans under the Cultural and Creative Sectors Guarantee Facility can be found on the EIF's [website](#).

MARKET FICHE HUNGARY

I. Specificity of the Hungarian market – context and introduction

According to the Hungarian National Trading House, the Hungarian CCS are showing signs of vigorous growth, representing high value added and significant economic potential. The industries, which received growing international interest in recent years, provide 5% of employment and 4% of Hungary's total GDP, while some forecasts predict a yearly growth outpacing the average Hungarian economic growth by two to three times.

This expanding sector has a high internationalisation perspective. Hungarian entrepreneurs in the cultural and creative industries have identified several sectors with potential for international development, such as in product design, graphic or fashion design.

II. Presentation of key market data on the CCS

	2011	2012	2013	2014	2015	2016
Number of companies	60,209	57,800	54,324	56,451	62,009	65,963
Number of employees (in thousands)	139.6	135.6	133.3	137.4	140.2	146.3
GVA (in EUR million)	1,887	1,851	1,776	1,721	1,548	1,498

Source: Eurostat

According to the latest data available (2016) from Eurostat, employment in the CCS has increased between 2011 and 2016, with a slight decrease in 2012 and 2013. However, the CCS GVA displays a continuous decrease between 2011 and 2016.

Festivals represent an increasingly important sector of the cultural industries: the 319 registered festivals had an accumulated annual turnover of about EUR 75 million, without considering the *Sziget* festival, which is with no doubt the largest one in Hungary. The last few editions experienced a huge success in terms of number of visitors (e.g. 441,000 people in 2015). Both *Sziget* and *VOLT*, another large Hungarian pop music festival, received European Festival Awards in 2016 in Groningen. Moreover, 25 Hungarian festivals received the European festival label from the European Festivals Association in the frame of the two-year-long EU project EFFE – Europe for Festivals, Festivals for Europe.

Another important segment of the growing Hungarian CCS market is Design. The Design Terminal is a leading national center for creative industries, located in Budapest. With the stimulation of digital economy, industrial design and urban planning, the Design Terminal aims to support value added local enterprises in reaching global marketplaces. It offers incubation services among them business consultation and mentoring, local and international trade show presence, as well as early stage investment mediation.

III. Main financing sources for the CCS

The cultural and creative sectors are funded at public as well as private level. New hubs dealing with major trends in the market are growing and a good example is the Design Terminal centre mentioned above. Funding for the creative and cultural sectors has increasingly become a priority.

The cinema industry is attracting funds and generating attention from abroad. A tax incentive was introduced in 2003. Hungarian production companies registered with the Hungarian Film Office and producing films, both for cinema and television, are eligible for a 25% refundable rebate on their expenditure in Hungary. Furthermore, 20% of the budget may be spent outside of Hungary without suffering a reduction in the amount of incentives. For cultural public expenditure, the post-2000 years showed a continued trend towards decentralisation. The cultural spending of local governments grew by about 78% between 2002 and 2007, when the cumulative inflation was less than 30%. For example, cities spent more 95% on museums than five years earlier and over 50% more on libraries, local television, music and other arts respectively. This trend was sharply inverted after 2010, and by 2012, the central government became a larger public funder than the regional and local sources. This is partly explained by the fact that the State took control of a number of CCS institutions and especially museums. Individual cultural projects are mainly subsidised from the National Cultural Fund.

According to the data extracted from the Cultural Compendium of policy, the public expenditure updated until 2014 shows that the funding system is quite well balanced among State level and local level funding.

Public cultural expenditure by level of government, 2014

Level of government	Total expenditure (in EUR million)	% share of total	% share of GDP
State	525.4	56	0.5
Regional and local	412.1	44	0.4
Total	937.5	100	0.9

Source: Cultural Compendium of policy, Hungary Chapter

In addition to the funding resources of the country the EU enhances access to finance for CCS SMEs and small public organisations operating within CCS through the Cultural and Creative Sectors Guarantee Facility. This EU financing support mechanism is demand-driven and its availability is subject to the take up by local financial institutions or foreign financial institutions with operations in the country. Information on the FIs providing EU guaranteed loans under the Cultural and Creative Sectors Guarantee Facility can be found on the EIF's [website](#).

MARKET FICHE

ICELAND

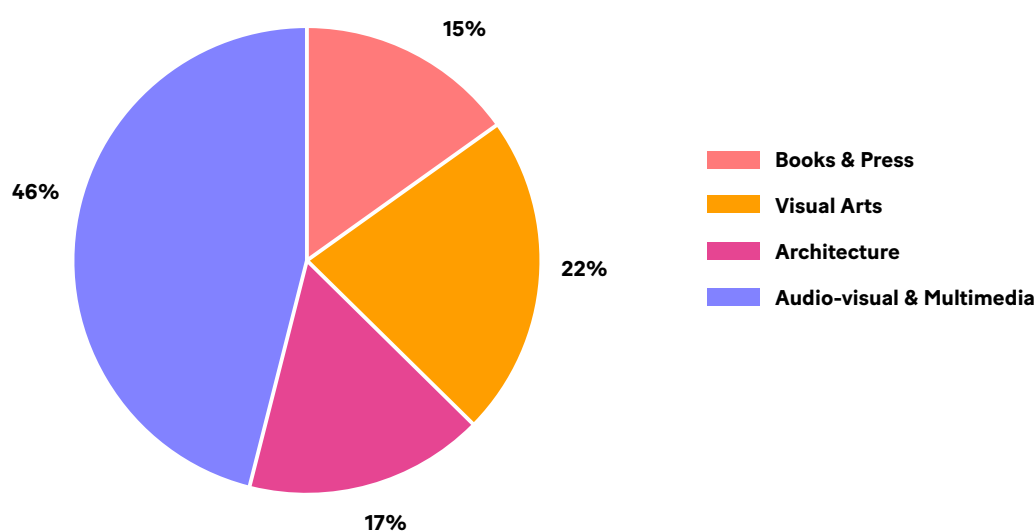
I. Specificity of the Icelandic market – context and introduction

Located in the north of the Atlantic sea between Europe and America, Iceland is a country of 329,100 inhabitants. Iceland gained its autonomy from the Danish kingdom in 1918 and became a republic in 1944. Even if Iceland was one of the first countries to establish a Ministry dedicated to culture in 1947, it only shaped its cultural policy (mainly targeting the design industry) toward the enhancement of the CCS in 2009-2010 after the government realized the resilience of the CCS enterprises to the 2008 bank crisis.

II. Presentation of key market data on the CCS

According to a study from 2009, Iceland had the highest per capita publication of books and magazines and a thriving musical scene as 80% of the young population was learning an instrument.³⁴ The majority of companies involved in the CCS are SMEs. According to the data available at Eurostat for cultural and creative industries, in 2015, Iceland counted 1,592 enterprises active in the CCS. The main sectors are audiovisual and multimedia, and visual arts, as shown in the chart below.

Repartition of CCS companies per sector in Iceland in 2015

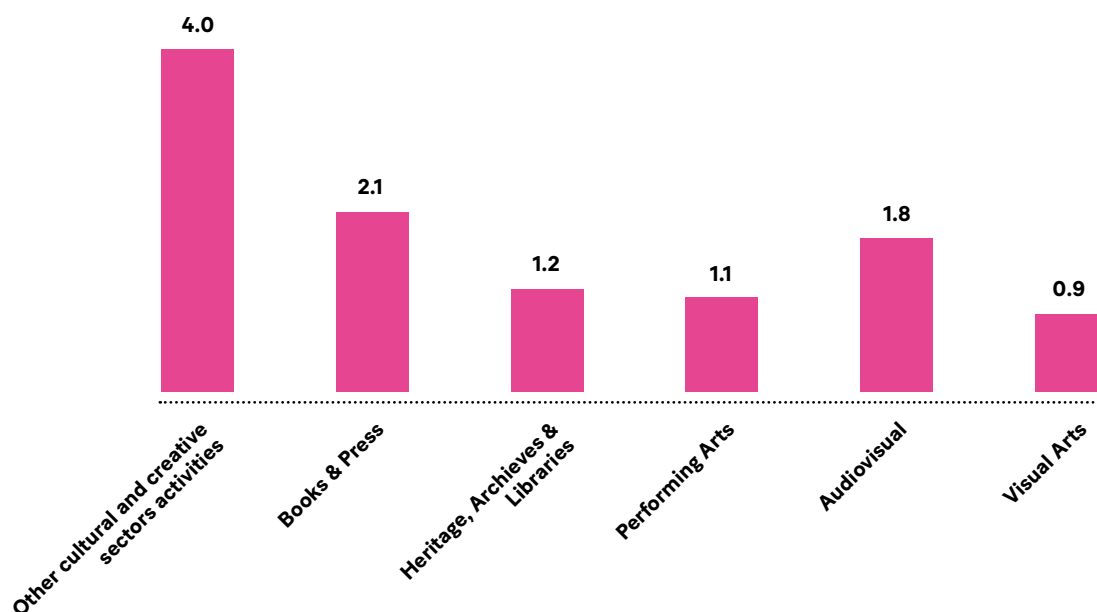


Source: Eurostat

According to Eurostat, 11,200 people were employed in the CCS in 2017, 25% of which were self-employed. The CCS in Iceland represents around 6% of the labour force of Iceland, thus constituting a major sector of its economy. Most people are employed in 'other cultural and creative sectors' (which notably includes retail of cultural goods and architecture), followed by books and press, and by the audiovisual sector.

³⁴ Bamford, A. (2009). Arts and Cultural Education in Iceland. Reykjavik: Mennta- og menningarmálaráðuneytið.

Number of CCS employees in Iceland (2017; in thousands)



Source: Eurostat

The gross value added at factor cost of the CCS in Iceland was EUR 211.6 million in 2015. More than half of the Icelandic CCS GVA is concentrated in the audiovisual sector (EUR 132.3 million). Other important sectors in terms of GVA include books and press (EUR 28.9 million) and architecture (part of other CCS activities), with EUR 27.8 million.³⁵

III. Main financing sources for the CCS

The Ministry of Education, Science and Culture is nowadays a major financing source for the Icelandic CCS. The percentage of public expenditures on cultural activities has risen constantly since 1980. At constant market prices, the government spent ISK 6 billion in 1980 and ISK 8 billion in 2003. The support of the Icelandic government has grown substantially not only because of important increase of the country's GDP, but also thanks to a certain political will: public expenditure on culture represented almost 4% of the countries' GDP in 2009, against 1.5% in 1980. Unfortunately, more recent data is not publicly available.

A major financing source for cinema - which is an important sector of the Icelandic CCS - is the Icelandic Film Fund established in 1979. It relies on a yearly budget (which has been increasing except during the 2008 recession after the banking crisis). It is subsidised mostly by the Ministry of Culture.

In addition to the funding resources of the country, the EU enhances access to finance for CCS SMEs and small public organisations operating within CCS through the Cultural and Creative Sectors Guarantee Facility. This EU financing support mechanism is demand-driven and its availability is subject to the take up by local financial institutions or foreign financial institutions with operations in the country. Information on the FIs providing EU guaranteed loans under the Cultural and Creative Sectors Guarantee Facility can be found on the EIF's [website](#).

³⁵ Eurostat (2016) Culture statistics, 2016 edition, and Eurostat 2015 data on Value added and turnover of enterprises in the cultural sectors by NACE Rev. 2 activity.

MARKET FICHE IRELAND



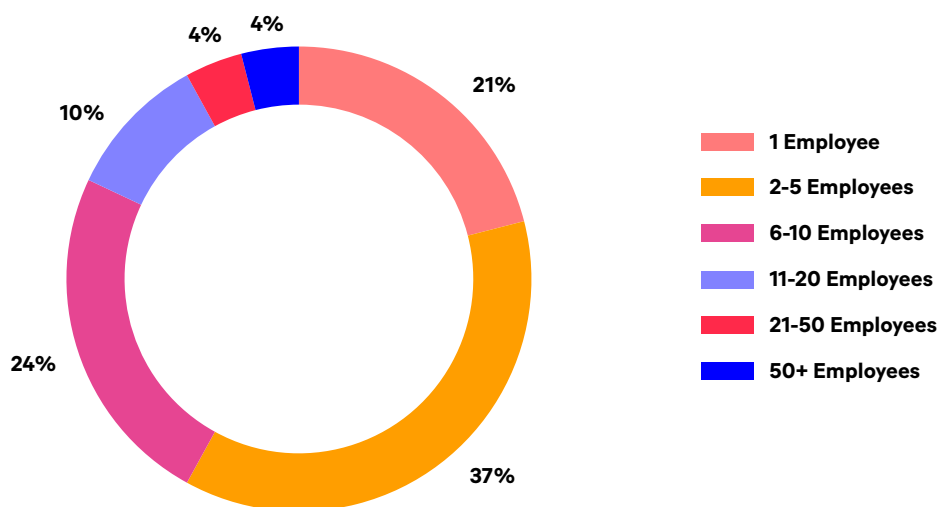
I. Specificity of the Irish market – context and introduction

For years the Irish government and local authorities have strongly stressed the important relationship between culture, creative occupations and innovation. It has been argued that creativity should be seen as an occupational-based measure, rather than an educationally-based one.³⁶ Ireland has a conducive environment for the cultural and creative sectors. In the 2017 European Cultural and Cities Monitor, Irish cities were ranked higher than most other European cities. Cork was ranked first for cultural vibrancy in the small and medium cities category, while Dublin was ranked well across all indicators, including on the creative economy and the enabling environment. In addition, Dublin was designated as a UNESCO literature city in 2010 and Galway received the status of UNESCO film city in 2014.

II. Presentation of key market data on the CCS

The CCS in Ireland accounted for EUR 4.6 billion in GDP, composing approximately 2.8% of GDP in 2015, and total jobs in the CCS amounted to 76,862.³⁷ Additional data for 2015 showed that the audiovisual sector was worth EUR 550 million in terms of GDP and was employing over 6,000 people, with over 560 SMEs. The design sector was valued at EUR 465 million, employing 5,100 people, with 37% of SMEs employing between 2 to 5 people in 2015. The largest share of design companies has five or less employees.³⁸

Size of Design Firms in Ireland



Source: J. Cunningham, B. Dolan D. Kelly C. Young Creative Sectoral Overview, Galway City and County Economic and Industrial Baseline Study, 2015.

³⁶ R. Florida, The rise of the creative class, Basic Books, 2003.

³⁷ J. Cunningham, B. Dolan D. Kelly C. Young Creative Sectoral Overview, Galway City and County Economic and Industrial Baseline Study, 2015.

³⁸ J. Cunningham, B. Dolan D. Kelly C. Young Creative Sectoral Overview, Galway City and County Economic and Industrial Baseline Study, 2015.

Trends per sector are not homogeneous. For example, the value of physical music sales has decreased dramatically (as in all EU countries). The Irish music market decreased by EUR 79 million between 2005 and 2010. Digital sales, however, increased and reached approximately EUR 17 million in 2013.

Conversely, the audiovisual sector never stopped growing and in 2016, the Irish audiovisual sector generated EUR1.05 billion in GVA and supported employment of 16,930 full-time equivalent employees of which 10,560 were under direct employment.

III. Main financing sources for the CCS

The National Development Plan 2018-2027 has identified the Culture and Creativity investment programme as a priority for the Department of Culture, Heritage and the Gaeltacht for the next decade, setting up funds amounting to EUR 265 million.

Public funds to the cultural and creative sector were allocated as follow in 2014:

Public funding for the CCS in 2014	In EUR thousands	In %
Cultural Institutions	138,987	62
Visual Arts	4,376	2
Performing Arts	33,446	15
Books and Press	2,247	1
Audiovisual and Multimedia	17,180	8
Interdisciplinary	4,129	2
Arts Council Other	17,474	8
Cultural Projects	5,290	2
Total	223,129	100

Source: Compendium cultural policies & trends, <https://www.culturalpolicies.net/web/ireland.php?aid=623>

Moreover, as a leading sector of the Irish economy, Government support has played an important role in assisting the audiovisual sector to grow. The Irish government's film tax relief delivers value for money on both a fiscal net benefit and economic net benefit basis. In 2016, every euro invested returned EUR 1.02 in tax revenue to the Irish government. With additional tax revenues generated by screen tourism and other spillover effects, every euro invested in the tax relief scheme generated, on average, EUR 2.82 in economic net benefit for the Irish economy.³⁹

Another initiative is the Creative Ireland Programme, a five-year initiative, from 2017 to 2022, which places creativity at the centre of public policy. The Creative Ireland Programme is culture-based and designed to promote individual, community and national wellbeing. It encourages, facilitates and supports collaboration across state agencies, organisations and local and national government, in order to cultivate a diverse, accessible and creative cultural ecosystem that sustains well-being for all.

In addition to the funding resources of the country the EU enhances access to finance for CCS SMEs and small public organisations operating within CCS through the Cultural and Creative Sectors Guarantee Facility. This EU financing support mechanism is demand-driven and its availability is subject to the take up by local financial institutions or foreign financial institutions with operations in the country. Information on the FIs providing EU guaranteed loans under the Cultural and Creative Sectors Guarantee Facility can be found on the EIF's [website](#).

³⁹ A Report from Olsberg SPI with NordicityEconomic, Analysis of the Audiovisual Sector in the Republic of Ireland, 2017, <https://www.chg.gov.ie/app/uploads/2018/06/economic-analysis-of-the-audiovisual-sector-in-the-republic-of-ireland.pdf>

MARKET FICHE

ITALY



I. Specificity of the Italian market – context and introduction

Italy is amongst the leading European countries on the CCS. According to the “Io sono cultura 2018”⁴⁰ report, the largest turnover comes from the more manufacturing centred areas in Northern Italy, producing a knock-on effect on the whole economic sector: Italian CCS contributes to 6% to the national GVA. Thanks to creative and design industries, Italy has placed itself in a top-ranking position internationally, enforcing competitiveness and the ‘Made in Italy’ brand and becoming a leading country in the technology-driven maintenance of cultural heritage.

While it is undeniable that culture (and heritage) is one of Italy’s strength, this value is not fully reflected in policy and financing priority. The Italian legislation for the CCS has traditionally paid more attention to heritage and landscape protection rather than to the promotion of cultural development or the CCS growth. However, more emphasis has been put on the potential of CCS to boost economic development and competitiveness towards more international scenarios, in a context where the CCS access to finance remains a key issue. Funds have been established for this sector, for example at regional level and ‘soft money’ is made available through tax incentive schemes.

II. Presentation of key market data on the CCS

The cultural and creative sectors are at the very heart of the creative economy and an essential element in the overall economic system: based on individual creativity and talent, they generate huge economic wealth and preserve identity, culture and values. The CCS include a number of different sectors. The table below presents an overview of the latest data available for Italy (data from 2017, sourced from ISTAT):

CCS Sector	GVA			Number of jobs		
	In EUR Million	% out of CCS	% out of total economy	in thousands	% out of CCS	% out of total economy
Creative industries (a)	13,405	14.5	0.9	261	17.2	1
<i>Design and Architecture</i>	8,595	9.3	0.6	153	10.1	0.6
<i>Communication</i>	4,810	5.2	0.3	108	7.1	0.4
Cultural industries (b)	44,365	48.10	2.90	680	44.8	2.7
<i>Cinema, radio, tv</i>	7,466	8.1	0.5	57	3.7	0.2
<i>Video games & software</i>	12,012	13	0.8	164	10.8	0.7
<i>Music</i>	321	0.3	0	6	0.4	0
<i>Publishing & press</i>	13,809	15	0.9	262	17.2	1
<i>Performing Arts</i>	7,933	8.6	0.5	141	9.3	0.6
<i>Artistic and Cultural Heritage</i>	2,824	3.1	0.2	51	3.4	0.2
Total CCS (a)+(b)	57,770	62.6	3.8	941	62	3.7
Creative occupations outside the CCS (c)	34	37.4	2.2	579	38	2.3
Cultural and Creative ‘System’ (a)+(b)+(c)	92,250	100	6	1,520	100	6.1

Source: Fondazione Symbola (2018).

⁴⁰ Fondazione Symbola (2018), Io sono cultura - 2018, L'Italia della qualità e della bellezza sfida la crisi. Quaderni Symbola.

The cultural and creative 'system', as represented in the table above, make up 6% of the Italian GVA, totalling around EUR 92 billion in 2017 (+2.0 % compared to 2016), and bringing a leverage effect of about 1.8 on the overall economy: for each euro produced by the cultural and creative sectors, 1.8 is activated in other economic sectors. The CCS employment reached 1.5 million jobs in 2017 (+1.6% compared to 2016). The overall cultural core employment data registered a growth of 1.4%, while creative driven sectors increased by 2.0%.

More specifically, performing arts increased the most, thanks to live performances which have generated an additional 9.5% in value added. Overall, in 2017, the number of cultural and creative companies amounted to 414,701 (which represents 6.7% of the total amount of companies of Italy). A closer review shows that out of the total number of Italian companies, 3.7% are active in the core cultural activities, while just 2% operate in the creative driven activities.⁴¹

As mentioned above, the cultural industries produce EUR 44,365 million of GVA, within which the publishing and press subsector is the largest (0.9% out of the 2.2% impact of the sector on the overall economy), followed by videogames and software.

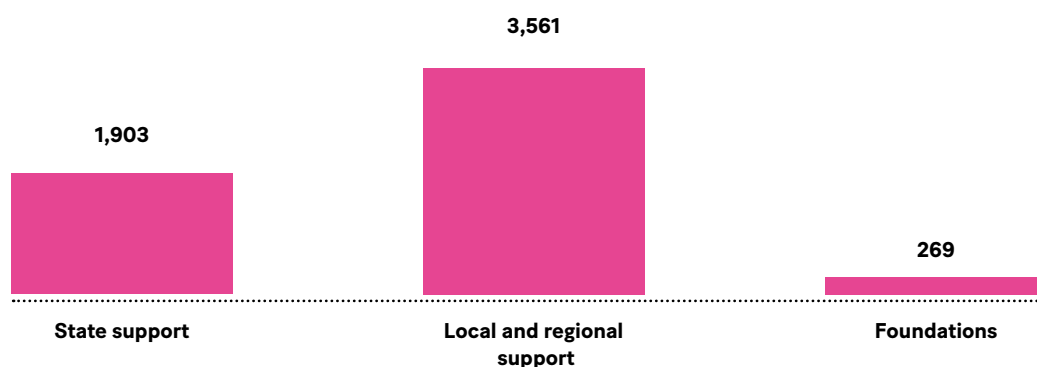
It is worth noting that "publishing and press" employs a larger workforce than any other CCS and produces the highest level of value added.

Another relevant element is the enterprises' market composition and their leading role among different Italian regions. Economic indicators for the cultural and creative enterprises are generally positive, except for cultural industries. Moreover, employment and value added generation is concentrated in the metropolitan centres: Lombardia (EUR 24 billion GVA and 350 thousand of employees) and Lazio (EUR 14.9 billion GVA and 204 thousand of employees) are the two leading regions in Italy in terms of CCS.⁴²

III. Main financing sources for the CCS

CCS financing in Italy is shared between the public and private sectors. Public financing takes place through four levels of fund allocations to the CCS: the State, the regions, the provinces and the municipalities. According to the latest available data for all levels of public expenditure (ISTAT, 2014), Italy has invested 1.4% of its whole budget in culture, representing the 0.4% of the Italian GDP.

Overview of CCS funding in 2014 (in EUR million)



Source: Compendium cultural policies & trends, chapter on Italy

More specifically, public investment in culture has been distributed as follows: State level investment amounted to 33% of the total public expenditure, while 62% derived at local level. It should be noted that public investment in culture has decreased over the years, with a 23.2% decrease at state level and 1.8% at local level, from 2011 to 2014. Furthermore State support has increased since 2014. The 2018 budget for culture at State level amounted to EUR 2,442 million.

⁴¹ Fondazione Symbola (2018), Io sono cultura - 2018, L'Italia della qualità e della bellezza sfida la crisi. Quaderni Symbola.

⁴² Fondazione Symbola (2018), Io sono cultura - 2018, L'Italia della qualità e della bellezza sfida la crisi. Quaderni Symbola.

● Foundations and tax incentives

Even if public expenditure has traditionally funded heritage, archives, libraries and all performing arts, the private sector allocates more resources to cultural and creative industries. In recent years, donations and sponsorships have become increasingly relevant, mainly incentivised by the introduction of the Art Bonus tax credit.⁴³ The tax credit covers donations to support culture and entertainment, for up to 65% of the donations made. The 2016 Stability Law has enforced the application of the Art bonus.

Crucial for the CCS are the donations deriving from banking foundations (such as Cariplo Foundation, Intesa San Paolo, etc). 88 foundations substantially increased their grant-making to "arts and cultural goods and activities": from EUR 183 million in 2000 to EUR 513 million in 2008. This represents the biggest sectoral share (34%) of the total amount of grants given by banking foundations. In addition, even though the main approach of banking foundations has been so far the one of grant-giving, nowadays they seem much more interested in developing their own strategies and programmes in achieving a catalyst role within the cultural sector. However, due to the economic downturn and to the consequent strong decline in the foundation's financial assets, support to the CCS has been substantially slowing down, to reach EUR 269 million in 2014.

Despite this, the report *20th Rapporto Fondazioni Bancarie, 2014*, stated an unchanging focus on the domain "arts and cultural goods and activities" as "a key factor for innovation and development. It also noted a change of strategies and priorities to increase support to the CCS.

It is also important to note that the CCS has been recognized in the Stability Law of 2018 as an eligible sector for a 30% tax credit for the development, production and promotion of cultural and creative products and services, with a budget allocation of EUR 500,000 for 2018.⁴⁴

● Local and regional focus

At local and regional levels, many public calls and targeted support programmes are launched by public authorities, in order to boost cultural and creative sector development through financing start-ups, projects and ideas.

For example, at regional level some initiatives were implemented all over Italy, i.e. Lazio has launched the Lazio Creativo fund.⁴⁵ Through a new regional law (D.g.r. 17 gennaio 2018 - n. 10/7779)⁴⁶ Lombardia is now financing public and private entities active in the cultural sector with the scope of promoting culture and education, enhancement of libraries and archives, museums' promotion, cinema and broadcasting industries' promotion, music and dance enhancement, theatres' production, etc. Last but not least, Emilia Romagna and Puglia with the Audiovisual Fund⁴⁷ and Puglia Creativa⁴⁸ are actively participating and financing the development of the Italian cultural and creative sectors.

In addition to the funding resources of the country the EU enhances access to finance for CCS SMEs and small public organisations operating within CCS through the Cultural and Creative Sectors Guarantee Facility. This EU financing support mechanism is demand-driven and its availability is subject to the take up by local financial institutions or foreign financial institutions with operations in the country. Information on the FIs providing EU guaranteed loans under the Cultural and Creative Sectors Guarantee Facility can be found on the EIF's [website](#).

⁴³ Legislative Decree 31.5.2014, n. 83

⁴⁴ <https://pugliacreativablog.wordpress.com/2018/01/17/italian-law-provides-definition-of-cultural-and-creative-enterprises/>

⁴⁵ <http://www.laziocreativo.it/-/nuovo-fondo-della-creativita-2018>

⁴⁶ http://www.regione.lombardia.it/wps/wcm/connect/0d76b6a1-a58d-44ac-96cf-cf38ce9d1f61/BURL+dgr+7779_Criteri+Avviso+Unico+2018.pdf?MOD=AJPERES&CACHEID=0d76b6a1-a58d-44ac-96cf-cf38ce9d1f61

⁴⁷ [https://cinema.emiliaromagnacreativa.it/it/finanziamenti/fondo-audiovisivo/regional-Audiovisual-fund-\(l'art.10-della-L.R.-n.20/2014\)-to-finance-interaction-between-cinema,-art-and-culture](https://cinema.emiliaromagnacreativa.it/it/finanziamenti/fondo-audiovisivo/regional-Audiovisual-fund-(l'art.10-della-L.R.-n.20/2014)-to-finance-interaction-between-cinema,-art-and-culture)

⁴⁸ www.pugliacreativa.it/

MARKET FICHE

LATVIA



I. Specificity of the Latvian market – context and introduction

Latvia's growth remained under 3% since 2013 and was particularly weak in 2016. However, in 2017, it grew by 4.6%, a stronger than expected rate (year-on-year). This was especially boosted by investment, which grew at double-digit rates. Private consumption growth also improved in 2017 compared to 2016.⁴⁹ Latvia's growth momentum is expected to continue, albeit at a slower pace, with GDP growth projected at about 3% in both 2019 and 2020. Solid wage growth and continued consumer optimism are set to drive private consumption growth.

Employment is set to increase, driven by rapid growth in construction investment. The strong demand for labour in the economy has attracted previously inactive people into the labour force and led to a softening of the age-driven decline in labour supply. The unemployment rate is set to decline further.

The Baltic countries (Lithuania, Latvia and Estonia) have worked closely together in developing their CCS and their support policies. One reason for this was the common cooperation with the British Council, which started over a decade ago.⁵⁰ A blueprint currently orients Latvian cultural policy for the CCS 'Creative Latvia 2014-2020', which calls for an integrated approach to the planning and implementation of cultural policy, creating a coordinated State policy in the following groups of sectors: art and literature, culture heritage, audiovisual and the media sphere. In relation to the strategy for policy implementation, the document places the emphasis on inter-sectoral / horizontal issues, which expand the functions and the field of activities of all the aforementioned sectors of culture, placing them in broader policy areas, such as education, youth, cultural infrastructures, social participation, cultural SMEs etc.⁵¹

Although the share of creative industries in the economy of Latvia has not significantly changed in the 2009-2013 period, major changes occurred within the sector itself – a significant increase in the number of enterprises coupled with a drop in the number of employees. As in many other European countries, the increasing number of freelancers in the CCS is arguably the main explanatory factor for this. The Latvian creative industries are not oriented to the international development of businesses, but rather focusing on internal consumption and micro-businesses.⁵²

II. Presentation of key market data on the CCS

The CCS in Latvia make a sizable contribution to the economy, as it represented 7% of total employment, 3.7% of turnover, and 6.6% of GVA in 2015.

⁴⁹ European Commission, Latvia Economic Forecast 2018 https://ec.europa.eu/info/sites/info/files/economy-finance/ecfin_forecast_autumn_081018_lv_en.pdf

⁵⁰ Sandell T., Skarveli L., *How could creative industries foster innovation in tourism in the northern dimension area? Country report – Lithuania, 2016* https://www.ndpculture.org/media/W1siZiIsIjIwMTcvMDIvMjAvMzIzY3poZjM1X0Nyb3NzX2NvdW50cnlfcmlvVWb3J0X0xpZGh1YW5pIS5wZGYiXV0/Cross-country%20report_Lithuania.pdf?sha=5aed2ca563eef9d4

⁵¹ Council of Europe, *Compendium – Cultural Policies and Trends in Europe: country profile – Latvia* <https://www.culturalpolicies.net/web/latvia.php?aid=421&cid=1260&lid=en&curl=23>

⁵² https://culturelablv.files.wordpress.com/2009/04/report-on-ci-mapping-in-latvia-2012_summary-in-en.pdf

The Latvian CCS in 2015

Number of employees (in thousands)	61.6
Employment (in % of total economy)	7
Turnover (in EUR million)	1,979
Turnover (in % of total economy)	3.7
GVA (in EUR million)	1,300
GVA (in % of total economy)	6.6

Source: Dunska & Marcinkevica (2017) Situation and Development Opportunities of Creative Industries Companies in Latvia; data 2015

In particular, the software and computer services are the main CCS sector in Latvia, accounting for more than one third of the CCS turnover in 2015, and representing a large share of CCS employment (28.6%).

CCS sector	Turnover % out of CCS GDP	Employment % of total CCS employment
Software and computer service	34.1	28.6
Architecture	13.7	14.8
Sound recording	10.3	n/a
Advertising	21.9	15
Arts and culture institutions	n/a	28.6
Other	20	13
Total	100	100

Source: Dunska & Marcinkevica (2017) Situation and Development Opportunities of Creative Industries Companies in Latvia; data 2015

III. Main financing sources for the CCS

Diverse financing sources are available for the cultural sector (international funds, co-operation with other fields by involving environmental, health, education and other projects, by developing the tradition of sponsorship, donation and patronage in Latvia). However, taking into account the small size of the market and limited internal consumption, State aid is still needed in order to help the CCS to grow. However, State aid has been significantly reduced in the post-crisis period (in 2014, the budget of the Ministry of Culture amounted to 78% of the 2008 budget. In 2008 the budget of the Ministry of Culture was 2.13% of the total State budget, while in 2014 it only amounted to 1.73%).⁵³ According to the National Development Plan 2014-2020, EUR 304 million are earmarked for the implementation of cultural policy in Latvia.

The European Structural and Investment Funds (ESIF) are a significant player in support to the CCS. One example of this support is the creative industries business incubator 'Creative Andrejsala' in Riga developed with EUR 2.4 million from the European Regional Development Fund (ERDF) between 2009-2014. Creative industries are also in the focus of cities and regions. Riga actively participates in the project 'Creative Metropolises', while the city of Rezekne opened the restoration and creative industries services and workshops centre in 2012.⁵⁴

Latvia also set up an important cash rebate system for audiovisual productions, managed by the Riga Film Fund and the National Film Centre of Latvia. The cash rebate offers 20% for productions with the storyline set in Riga (by the Riga Film Fund) and 25% for film shooting on the territory of Latvia (by the Latvian Film Centre).⁵⁵

⁵³ Cultural Policy Guidelines 2014-2020 'Creative Latvia', 2014

⁵⁴ <https://www.culturalpolicies.net/web/latvia.php?aid=423>

⁵⁵ <http://filmriga.lv/en/co-financing/tender-regulations>

In addition to the funding resources of the country the EU enhances access to finance for CCS SMEs and small public organisations operating within CCS through the Cultural and Creative Sectors Guarantee Facility.⁵⁶ This EU financing support mechanism is demand-driven and its availability is subject to the take up by local financial institutions or foreign financial institutions with operations in the country. Information on the FIs providing EU guaranteed loans under the Cultural and Creative Sectors Guarantee Facility can be found on the EIF's [website](#).

⁵⁶ http://www.eif.org/what_we_do/guarantees/cultural_creative_sectors_guarantee_facility/index.htm

MARKET FICHE

LIECHTENSTEIN



I. Specificity of the Liechtenstein market – context and introduction

As a doubly landlocked microstate enclosed by the Alps and bordering with Switzerland and Austria, culturally-speaking Liechtenstein has been greatly influenced by its bordering countries. This is also reflected by the composition of its population, 33.7% of which, as of 2013, consisted of non-citizen residents. This is why culture in the country is conceived as one of the pillars of foreign policy, as well as a means to promote integration and dialogue between its various communities. Whereas in the past culture was the object of several pieces of legislation, it is today included in one modern Cultural Promotion Act entered into force in 2008. This is an act covering issues such as the participation of the population in cultural activities, the free exercise of artistic and cultural expression, the promotion of new, innovative forms of culture and organisations, the division of responsibilities between the State and the municipalities, the promotion of appearances by groups and organisations abroad and cultural exchange projects.⁵⁷ The institutions that were formerly responsible for cultural promotion in Liechtenstein, the Government Cultural Advisory Council and the Pro Liechtenstein Foundation, were merged into the Liechtenstein Cultural Foundation which is today the institution in charge of State support for cultural projects.

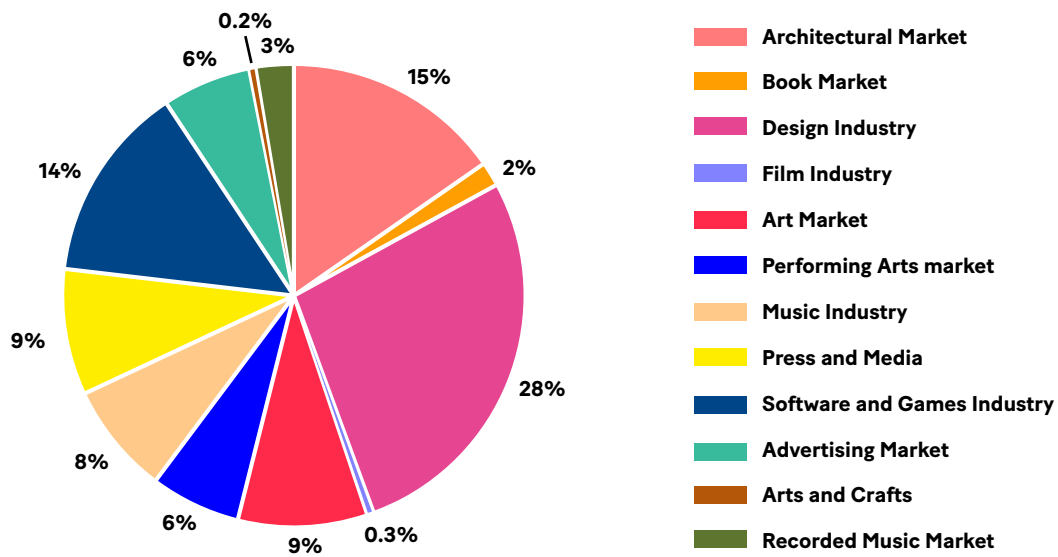
II. Presentation of key market data on the CCS

According to the Park Research Project of the Institute for Architecture and Planning of the University of Liechtenstein, creative industries in the country are concentrated in the rural regions rather than in the urban areas. Indeed, creative industries in rural areas experienced a steady growth over the last 10 years and have the potential of becoming a recognized engine for regional progress. According to the report, the share of workers working in creative industries in the country is about 7% of the total population and is comparable to the percentage in cities such as Vienna and Zurich. The report shows how the creative industries market in the country is mainly divided in the following sectors: architectural market, book market, design industry, film industry, art market, performing Arts market, music industry, press and media, software and games industry, advertising market, Arts and crafts and recorded music market. As shown in the chart below, the fundamental sectors (as of 2011) were the design industry and the architectural market, with 27.4% and 15.3 % of the people employed, respectively.⁵⁸

⁵⁷ "Compendium of Cultural Policies and Trends in Europe", 15th edition 2015. Available at: <http://www.culturalpolicies.net>

⁵⁸ "Erster Kreativ Wirtschafts Bericht Fürstentum Liechtenstein", Universität Liechtenstein 2014, Peter Staut Ruth Jochum Gasser Vera Kaps Celina Martinez. Available at: https://my.uni.li/Portals/0/docs/ar/forschung/PARK/UNI_Kreativwirtschaftsbericht_02.12.2014_Web.pdf

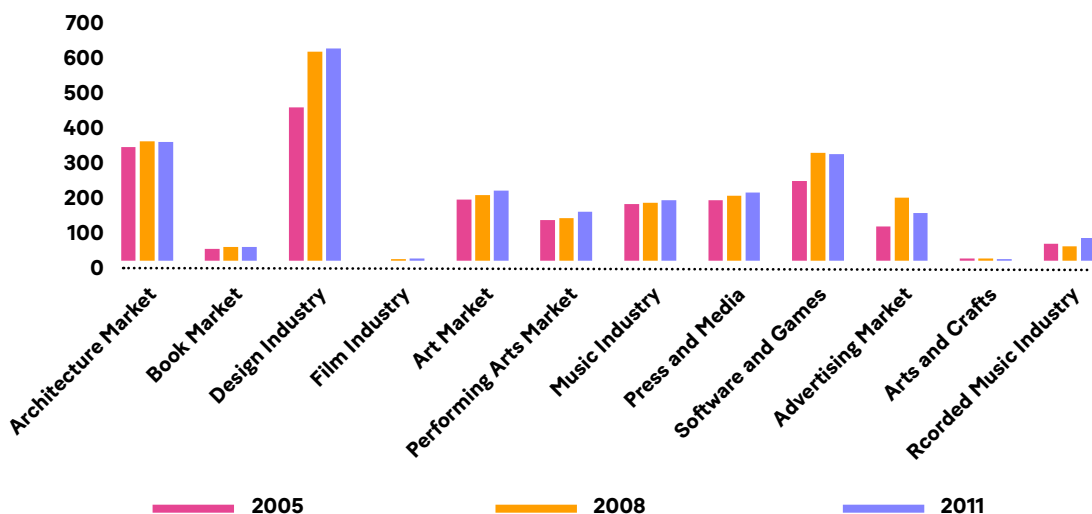
Share of employment of Liechtenstein's CCS in 2011



Source: "Erster Kreativ Wirtschafts Bericht Fürstentum Liechtenstein", Universität Liechtenstein 2014

The study conducted by the University of Liechtenstein also provides some statistical data about the number of people employed by the creative sector in years 2005, 2008, 2011. The chart below shows that the number of people employed in the creative sector has seen an overall increase from 2005 to 2008 and then remained stable from 2008 to 2011. The two biggest market sectors remain design and architecture with respectively 615 and 344 people employed, and the smallest sectors are the film industry and the arts and crafts industry with respectively 7 and 5 people employed. Overall, the culture and creative industry in Liechtenstein is still characterised by a high proportion of freelancers and very small businesses.⁵⁹ This is also reflected in the fact that, as of 2011, 1/3 of the people were employed part-time.

Number of people employed in the creative sectors in Liechtenstein in 2005, 2008 and 2011



Source: "Erster Kreativ Wirtschafts Bericht Fürstentum Liechtenstein", Universität Liechtenstein 2014

III. Main financing sources for the CCS

The Liechtenstein Cultural Foundation is the institution responsible for State support in cultural projects. However, cultural promotion in Liechtenstein is also greatly compartmentalized. The 11 municipalities actively contribute to the promotion of culture through the principle of subsidiarity, a key principle of cultural politics in Liechtenstein, mainly by encouraging private initiatives. Even leading cultural institutions such as the music school as well as several cultural associations owe their existence to initiatives launched by private groups. The municipalities support their cultural associations organize their cultural activities and manage the preservation of their monuments and buildings according to their internal laws.

At State level, cultural spending boosted after 2006, when Liechtenstein celebrated 200 years of sovereignty.

According to data from the Compendium of Cultural Policies and Trends in Europe, in 2013 public expenditure on culture amounted to CHF 27.55 million (approx. EUR 24.9 million). As shown in the table below, the expenditure mainly focused on the following sectors: cultural goods (CHF 5.5 million corresponding to 20.1% of the total expenditure), Arts (CHF 12.9 million, 46.7% of the total), media (CHF 3.4 million, 12.4% of the total) and cultural centres (CHF 5.7 million, 20.8% of the total).

State cultural expenditure, by sector, in CHF million, 2013

Field/Domain/Sub-Domain	Total	% of total
Cultural Goods	5.5	20.1
<i>Cultural Heritage</i>	2.7	9.8
<i>Archives</i>	1.1	4.2
<i>Libraries</i>	1.7	6.1
Arts	12.9	46.7
<i>Visual Arts (including design)</i>	4.2	15.1
<i>Performing Arts</i>	8.7	31.6
Media	3.4	12.4
Other: Cultural centres	5.7	20.8
Total	27.5	100

Source: "Compendium of Cultural Policies and Trends in Europe", 15th edition 2015

In addition to the funding resources of the country the EU enhances access to finance for CCS SMEs and small public organisations operating within CCS through the Cultural and Creative Sectors Guarantee Facility. This EU financing support mechanism is demand-driven and its availability is subject to the take up by local financial institutions or foreign financial institutions with operations in the country. Information on the FIs providing EU guaranteed loans under the Cultural and Creative Sectors Guarantee Facility can be found on the EIF's [website](#).

MARKET FICHE LITHUANIA



I. Specificity of the Lithuanian market – context and introduction

Lithuania's population has been declining since the early 1990s at an average pace of 1.3% annually. The rate of decline is projected to accelerate in the years to come due to high emigration and negative natural growth. However, Lithuania's economy has continued to grow in the years following the 2009 economic crisis due to strong employment growth and a declining age of the working population.⁶⁰ In 2017, the GDP grew by 3.8%, driven by booming exports and rising private investment. This growth was also supported by strong private consumption. Notable wage growth offset the negative effects of high inflation and population decline. EU funds are nevertheless underused.⁶¹

The positive expectations in the service sector, high levels of consumer confidence and rapidly rising wages indicate a stable expansion of private consumption in the coming years. Investment is also set to remain an important growth driver.

The Baltic countries (Lithuania, Latvia and Estonia) have worked closely together in developing their CCS and the policies related to them. One reason for the joint effort was the common cooperation with the British Council, which started over a decade ago.⁶² The Lithuanian national policy related to the CCS was determined by the Creative Industries Promotion and Development Strategy, and was intended to be a comprehensive policy instrument to advance the contribution of the CCS to the sustainable development of Lithuania. The strategy, coordinated by the Ministry of Culture, was initiated in 2007, reviewed in 2009 and then again in 2015. The Strategy sets the goal to expand the role of the CCS in the Lithuanian economy to 7% of GDP and copyright exports to grow to reach 7% of total exports by 2020.

II. Presentation of key market data on the CCS

In 2014, the contribution of the CCS to Lithuanian GDP was 5.2% and around 5% of total exports of products and services.⁶³

The Lithuanian CCS in 2015

Number of employees (in thousands)	140
Employment (in % of total economy)	8.2
GVA (in EUR billion)	1.0

Source: Eurostat

⁶⁰ European Commission, Lithuania Country Report 2017, <https://ec.europa.eu/info/sites/info/files/2017-european-semester-country-report-lithuania-en.pdf>

⁶¹ European Commission, Lithuania Economic Forecast, 2018 https://ec.europa.eu/info/sites/info/files/economy-finance/ecfin_forecast_summer_12_07_18_lt_en.pdf

⁶² Sandell T., Skarveli L., *How could creative industries foster innovation in tourism in the northern dimension area? Country report – Lithuania*, 2016 https://www.ndpculture.org/media/W1sziZlsjllwMTcvMDIvMjAvmzY3poZjM1XONyb3NzX2NvdW50cnlfcmVwb3J0X0xpdGh1YW5pYS5wZGYiXV0/Cross-country%20report_Lithuania.pdf?sha=5aed2ca563eef9d4

⁶³ Sandell T., Skarveli L., *How could creative industries foster innovation in tourism in the northern dimension area? Country report – Lithuania*, 2016 https://www.ndpculture.org/media/W1sziZlsjllwMTcvMDIvMjAvmzY3poZjM1XONyb3NzX2NvdW50cnlfcmVwb3J0X0xpdGh1YW5pYS5wZGYiXV0/Cross-country%20report_Lithuania.pdf?sha=5aed2ca563eef9d4

In 2015, the CCS represented a significant share of Lithuanian employment (8.2%), totalling 140,000 jobs. The CCS's GVA amounted to EUR 1 billion.

Considerable investment was channelled into the development of 'art incubators' in order to provide support for CCS start-ups, encourage local communities to cooperate and develop their business. Nine art incubators were developed in the period 2007-2013, with the contribution of EU Structural Funds and the national budget. During the same period EUR 74 million of ESIF funds were invested in the Lithuanian CCS, including the funding for the CCS cluster-creation, development of e-business management systems and promotion of CCS exports.

III. Main financing sources for the CCS

The Lithuanian general government spending on culture experienced annual growth of around 0.1% of GDP during the period 2011-2015 and amounted to 1.8% of GDP in 2015, which is almost twice as high as the EU average (around 1% in the same period).⁶⁴

The significance of private initiatives in the financing of culture increased during recent years in Lithuania. However, it remains difficult to estimate the percentage of private financing for the sector and research studies on private support for culture are still insufficient. The national legislation is favourable to private support for the CCS.

In 2012, the *Seimas* (Parliament) started to consider the Draft Law on Culture Sponsorship, which aims to stimulate private support for the sector by allowing private individuals to get tax discounts on donations and to form the tradition of Maecenas in Lithuania.⁶⁵

Moreover, in 2014, the government set up a tax incentive mechanism for film production at national level, which favours private investment in audiovisual (film) production. Between 2014 and 2017, the tax scheme helped channel EUR 24.4 million of foreign investment into Lithuania and generated around 10,000 employment positions in the film production sector (both freelance and permanent).⁶⁶

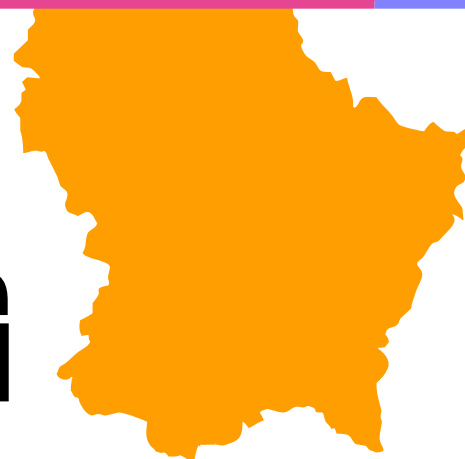
In addition to the funding resources of the country the EU enhances access to finance for CCS SMEs and small public organisations operating within CCS through the Cultural and Creative Sectors Guarantee Facility. This EU financing support mechanism is demand-driven and its availability is subject to the take up by local financial institutions or foreign financial institutions with operations in the country. Information on the FIs providing EU guaranteed loans under the Cultural and Creative Sectors Guarantee Facility can be found on the EIF's [website](#).

⁶⁴ Government of the Republic of Lithuania, Stability Programme for Lithuania for 2017 <https://finmin.lrv.lt/uploads/finmin/documents/files/SP%20EN%202017.pdf>

⁶⁵ Council of Europe, *Compendium – Cultural Policies and Trends in Europe: country profile – Lithuania*, https://www.culturalpolicies.net/down/lithuania_102014.pdf

⁶⁶ KEA, *Evaluation of the fiscal incentive scheme for film production in Lithuania*, 2018

MARKET FICHE LUXEMBOURG



I. Specificity of the Luxembourg market – context and introduction

The CCS in Luxembourg include 12 main sectors: architecture (including engineering and town planning), crafts and manufacturing, visual arts, films and audiovisual production, design, fashion design, gaming, marketing and communication, literature, digital media and publishing, performing arts and music.

The CCS make a significant contribution to Luxembourg's GDP by adding value to the companies and organisations in which they operate. In addition to this direct economic value, creative industries play an important role in the development of innovation, recognized as a key factor in the continuous health and growth of the national economy.⁶⁷ Luxembourg boasts the 1st rank in terms of competitiveness in the EU, the 2nd top digital economy in the world and 3rd for Global Talent Competitiveness.

Luxembourg creativity has gained international recognition and is exporting well as demonstrated by Zeilt production company's Oscar Award for best animated short film in 2014 and the 2016 Grammy Award for songwriter and conductor Gast Waltzing in the category "Best World Music Album" for the album "Sings" by Angelique Kidjo with the Orchestre Philharmonique du Luxembourg.⁶⁸

II. Presentation of key market data on the CCS

Field/Domain/Sub-Domain	Gross Value Added (GVA)		Employment		Enterprises		
	In EUR million	% of CCS	Number of jobs	% of CCS	Number of enterprises	% of CCS enterprises	Turnover in EUR million
Creative industries	214.8	52.8	3,700	52.1	1,187	42.4	434
<i>Architecture</i>	129.7	31.9	2,000	28.2	551	24.5	1971
<i>Design and advertising</i>	85.1	20.9	1,700	23.9	636	17.9	236.9
Cultural industries	191.7	47.2	3,400	47.9	1,065	57.6	537.3
<i>Arts</i>	3.5	0.9	500	7.1	533	22.9	8.3
<i>Audiovisual & multimedia</i>	88.4	21.7	1,200	16.9	209	9.4	200.1
<i>Books and press</i>	99.8	24.6	1,700	23.9	323	25.3	328.9
Total	406.5	100	7,100	100	2,252	100	971.3

Figures for 2015, source: <http://paperjam.lu/news/le-boom-des-industries-creatives>

In 2015, the country had almost 2,300 companies active in the creative industries, providing jobs for about 7,100 people. The number of CCS companies amounted to 6.1% of the total Luxembourg enterprises, representing almost EUR 1 billion of annual turnover. The creative industries weight slightly more than the cultural industries in terms of GVA, employment and number of companies.

The CCS are dominated by micro and small enterprises: in 2015, 94% of companies had less than

⁶⁷ Source : <https://www.tradeandinvest.lu/business-sector/creative-industries/>

⁶⁸ Source : <http://www.innovation.public.lu/en/decouvrir/pourquoi/secteurs-innovants/industries-creatives/index.html>

10 employees (87% in the national economy) while medium-sized and large enterprises (above 50 employees) accounted for less than 1% of the sector. Sole proprietorships represented 59% of CCS enterprises while this type of business structure represented 39% of total Luxembourg companies. Freelancers represented 13.2% of the CCS jobs, contrasting with only 1.9% at national level).

CCS employment accounted for 5.2% of the national employment in 2014⁶⁹, making Luxembourg the first EU Member State for cultural employment. The country also shows the largest relative increase in the share of cultural employment (+0.8 percentage points between 2013 and 2014).

CCS-employed people in Luxembourg are highly qualified, with 82% of workers having attained tertiary education (largely above the national average of 50%), the most highly qualified cultural workforce in the EU.⁷⁰

Although stable between 2014 and 2015 (latest figures available), the number of companies active in the CCS has increased by 10.9% over the period 2008-2015, representing a cumulative annual average growth of 1.5%.

New Luxembourg CCS businesses were relatively robust towards the 2008 economic crisis as the majority of companies created during that same year had survived 5 years later. All the enterprises active in motion picture, video and television programme production, sound recording and music publishing had survived in 2009, 67% in 2011 and 53% in 2013. However, the survival rate of programming and broadcasting companies as well as specialised design companies dropped significantly after 1 year. In creative, arts and entertainment activities 92% of enterprises created in 2008 survived after 1 year, 76% after 3 years and 60% after 5 years. In the services of the business economy (except activities of holding companies), these figures amounted to 89%, 71% and 58%, respectively.

The number of people employed in the CCS increased by 5.4% between 2008 and 2015 (+3.1% between 2014 and 2015) although at a slower pace than the national employment growth rate over the same period (16.3%).

The economic activity of the CCS is gaining traction: after a decrease of 22.7% between 2008 and 2013, the global turnover of the sector increased by 21% between 2013 and 2015, amounting to nearly EUR 1 billion. Despite this recent rebound, the CCS still represent less than 1% of the global turnover of market services (non-financial).

The CCS contributed EUR 406 billion to Luxembourg's GVA in 2015, about 1% of the value added of the whole economy. This is an average value added rate of 42%, significantly higher than the average market services (non-financial) - 14% - but below the average global rate of administrative and support services (62%).⁷¹

III. Main financing sources for the CCS

● Public funding – national level

The total of Luxembourg government expenditure in culture in 2016 amounted to 1.2% of GDP⁷² and has been stable since 2007.

The Ministry of Culture provides subsidies in various fields including visual arts, dance, literature, music, heritage, theatre and socio-cultural activities. Its budget has increased by 27% over the past ten years to amount to EUR 141 million in 2018. Financial support to the CCS is provided in three ways: conventions with cultural institutions; multiannual subsidies to licenced associations; one-off subsidies to projects, to support the mobility of CCS operators and financial support to the publishing sector (including creation and translation). Music is the most subsidised sector (EUR 722,650), followed by socio-cultural activities (EUR 196,800) and visual arts (EUR 169,508).

⁶⁹ Eurostat, Culture Statistics, 2016

⁷⁰ Idem

⁷¹ Source : <http://paperjam.lu/news/le-boom-des-industries-creatives>

⁷² Total government expenditure in 'Recreation, culture and religion', Eurostat <http://ec.europa.eu/eurostat/web/culture>

The Film Fund Luxembourg implements the overall policy of governmental support for audiovisual productions, promotes and fosters an environment in which the country's film production industry can develop and flourish. The Fund co-operates closely with audiovisual industry representatives, like the Luxembourg Film Academy, Luxembourg Producers Association (ULPA), the writers' and directors' association (LARS) and the association representing local film technicians (ALTA) in promoting the sector's development. In addition, it assists the government in drafting regulations related to the film sector. Since 2012, Film Fund Luxembourg offers only one support mechanism for audiovisual productions to be carried out by a Luxembourg registered film production company.⁷³

Financed by the Ministry of Culture and Sacem Luxembourg, Music Luxembourg Export Office / music:LX was created in 2009 to support the professionalisation and international promotion of Luxembourg's music scene. It provides financial support for touring, showcasing and promotional campaigns; information on the music industry; networking opportunities with professional meetings as well as promotional actions towards international professionals and audiences.

The stARTup fund supports the career development of young Luxembourg or residing artists, promoting their professionalisation and visibility at national and international levels. It is active in multiple artistic and creative fields, from dance, theatre, music or literature to visual arts, design and architecture.

LuxInnovation is a national organisation that contributes to the economic development of Luxembourg by fostering innovation, fuelling international growth and attracting foreign direct investment. It provides subsidies to encourage companies to carry out R&D and innovation activities. Since 2017, LuxInnovation has also been managing the Creative Industries Cluster. The Cluster's mission is to catalogue existing instruments (financial aid, training opportunities, advice), to bring together the different players of the sector and to promote them, thus strengthening the links between creatives, encouraging and facilitating the development of new business opportunities.

● Public funding – international level

Luxembourg is part of the transborder region 'Grande Region' that covers territories in four countries (Belgium, France, Germany and Luxembourg⁷⁴). The Grande Region, European Capital of Culture in 2007, supports the transregional and multilingual cultural offer of the territory and has recently put together a film development fund of EUR 55,000.

Luxembourg CCS are actively involved in the Creative Europe programme of the European Union. In 2017-2018, Luxembourg CCS are involved in 15 projects funded by Creative Europe. In 2016 alone, film operators benefited from about EUR 1 million worth of grants for the development, training, production, distribution, exploitation under the Media strand of Creative Europe.

● Private funding

The National Cultural Fund was created in 1982 to manage and allocate allowances and donations from public and private sources promoting arts and science, the conservation, maintenance and appropriate use of national historic and cultural heritage. The fund provides financial support to mobility, grants to artists as well as subsidies to cultural associations and other stakeholders for artistic and cultural projects with a link to Luxembourg. Its mission is equally to encourage and manage patronage in the CCS coming from citizens and enterprises. Donations to artistic and cultural organisations in Luxembourg are subject to fiscal exemptions.

The Luxembourg Foundation (*Fondation de Luxembourg*) promotes and facilitates private philanthropy by orientating private banking clients towards charities or organisations of public utility. It also acts as an umbrella foundation for smaller organisations which do not have the means to build their own foundation.

⁷³ The National Audiovisual Production Support (AFS) is a selective scheme which provides discretionary loans to producers to finance development and scriptwriting, distribution and production/coproduction for fiction, animation, documentaries, short films, transmedia projects, repayable from the finished work's receipts.

⁷⁴ Including Wallonia and the Brussels-Wallonia Federation, the German speaking community of Belgium, Saarland, Rheinland-Pfalz, Lorraine, Meuse, Moselle, Meurthe-et-Moselle and Luxembourg.

In collaboration with the National Cultural Fund and the Luxembourg Foundation, the Foundation Michelle provides grants to young classical musicians (to attend masterclasses, to integrate a professional orchestra, touring grants and musical composition are some examples of the available support). Since 2014, the foundation has been supporting 90 young talents with grants between EUR 500 and EUR 8,500.

In addition to the funding resources of the country the EU enhances access to finance for CCS SMEs and small public organisations operating within CCS through the Cultural and Creative Sectors Guarantee Facility. This EU financing support mechanism is demand-driven and its availability is subject to the take up by local financial institutions or foreign financial institutions with operations in the country. Information on the FIs providing EU guaranteed loans under the Cultural and Creative Sectors Guarantee Facility can be found on the EIF's [website](#).

MARKET FICHE

MALTA

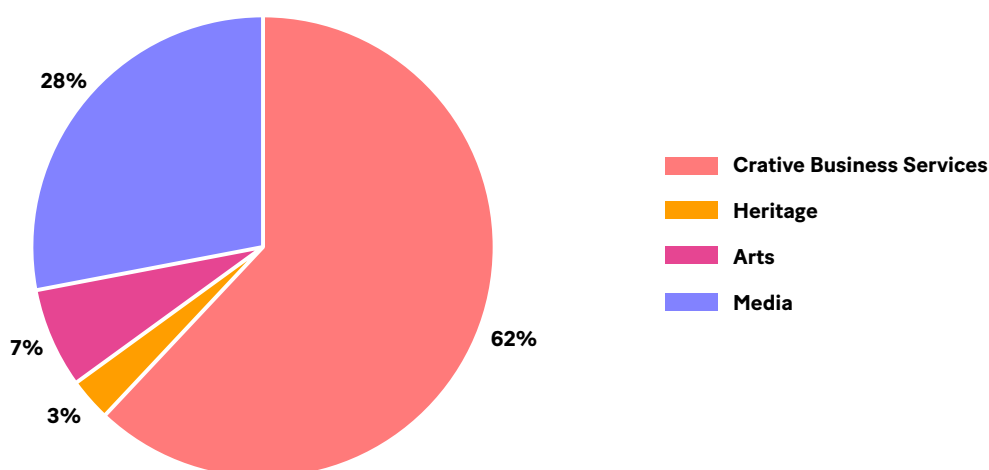


I. Specificity of the Maltese market – context and introduction

Cultural policy in Malta has undergone several changes over the years. Indeed, in the past, cultural activities in Malta were shaped by political, ecclesiastical, educational or family privilege and influence. An important milestone in the history of cultural affairs in Malta was set in 2007 with the inclusion of the creative industries in the policy agenda and the implementation of new budgetary measures for culture in the national budget. In addition to the cultural values enshrined within the cultural policy, the government acknowledged that investment in the cultural sectors yields further economic and social development. In the budget speech for 2010, the Minister of Finance announced the government’s ambition to incentivise the creative industries “consistently with the Vision 2015 to make Malta a centre of excellence in various sectors, including that of creativity.” This led to a new set of incentives for the sector, in a context where Valletta was nominated as the European Capital of Culture 2018.

II. Presentation of key market data on the CCS

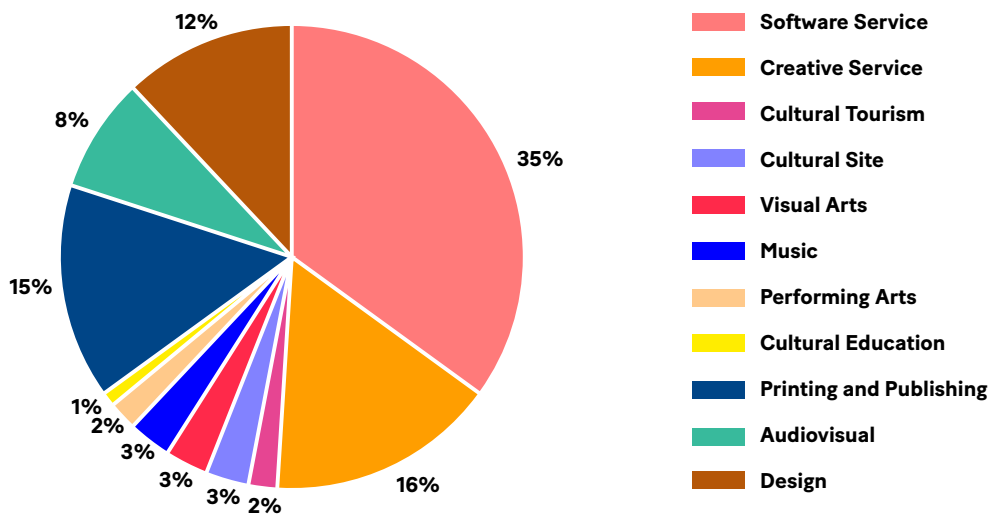
Repartition of CCS companies per sector in Malta in 2015



Source: The Economic of Cultural and creative industries in Malta, La Valletta Foundation 2018.

The CCS have increasingly gained importance in recent years, thus conferring to Malta such a strategic asset in terms of economic and financial power. Indeed, the CCS directly contribute to around 5 per cent of GDP and employ more than 10,000 persons. The industry is predominantly made up of SMEs: the traditional visual arts sectors is mainly composed of enterprises employing less than 3 people and among SMEs many businesses are more manufacturing oriented, such as printing and crafts.

Detailed composition of the CCS sectors in 2015

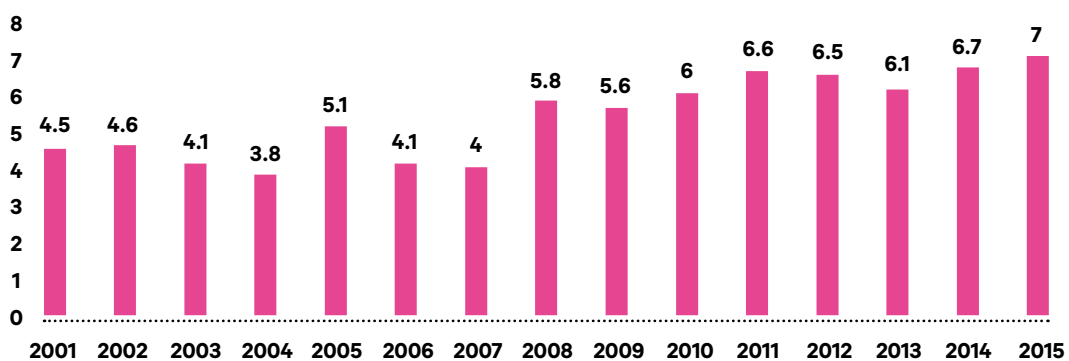


Source: The Economic of Cultural and creative industries in Malta, La Valletta Foundation 2018.

As the graph above shows, the leading activities of the cultural and creative sector are software services, followed by creative services and printing and publishing activities. In addition, as remarked by La Valletta Foundation 2018, design is becoming an interesting sector for the creative economy of Malta. Notably, enterprises operating in the design sector generate around EUR 50 million in value added and account for 0.8% of GDP. It is estimated that there are 790 CCS enterprises with an average of 3 people employed per enterprise. Moreover, profit margins are estimated at around 24%.

In 2015, the latest data available provided by The Arts Council of Malta, show that Culture and Creative Industries accounted for 7% of the total GVA created by the Maltese economy, compared to 6% in 2010. The CCS continued to grow at an average level of 9% per annum between 2010 and 2015, almost matching the performance recorded between 2005 and 2010. In 2015, the CCS also accounted for 6% of total full-time and part-time gainful employment. Because there is a predominance of part-time employment in the traditional arts sector of the CCS, employment in full-time equivalent terms is estimated at 5% of total employment. Job creation in the CCS almost tripled in the latter 5-year period. The CCS created 2,800 new jobs between 2010 and 2015, compared to an increase of 1,100 in new jobs between 2005 and 2010. Employment in the CCS increased by a significant rate of 5% average annual growth between 2010 and 2015. Overall, GVA per person employed in the CCS is estimated at EUR 37,900 which is currently higher than what is on average generated in either manufacturing (EUR 32,100) or services (EUR 34,100).

The CCS as a share of total GVA in Malta (in %)



Source: Arts Council of Malta, Creative Economy Report 2016 Update

III. Main financing sources for the CCS

Being a small country, 100% of cultural funding in Malta is distributed directly by the government, either through direct expenditure or by transfer to its agencies. However, local councils are in a position to spend their yearly allocation according to the council's respective year-plan.

In Malta's policy agenda for economic development, cultural and creative industries were highlighted as potential contributors to achieve and sustain macro-economic stability so that local and foreign investors can keep generating enterprise, wealth, and employment. The table below shows how the share of total cultural public expenditure has changed from 2012 to 2016. Cultural services are the main expenditure out of the total expenditure in the CCS.

Public expenditure per year (in EUR thousands)	2012	2013	2014	2015	2016
Recreational and sporting services	12,121	10,802	7,885	12,518	9,122
Cultural services	46,158	50,458	69,563	82,083	71,720
Broadcasting and publishing services	2,949	2,679	2,935	2,485	5,094
Religious and other community services	1,552	699	1,838	2,652	1,323
R&D Culture and recreation	0	0	4	45	60
Recreation, culture and religion	3,457	3,474	6,081	12,430	11,613
Total	66,237	68,112	88,306	112,213	98,932

Source: National Statistics office Malta, Expenditure of General Government Sector by Function: 2012-2016

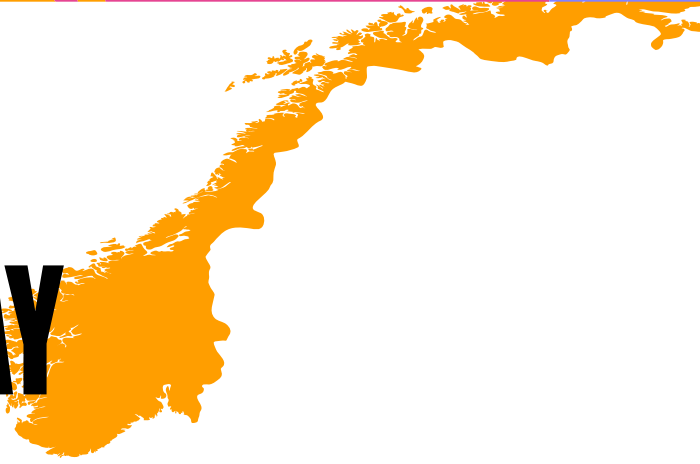
Moreover, in the context of the 2016 budget, the government announced a new measure to encourage further partnerships between Malta's business community and the cultural sector. Through this measure, companies giving donations to eligible organisations, may claim against their tax bill the amount donated at 150% against the income for the year of assessment when the donation was made. The maximum tax deduction is capped at EUR 50,000. This incentive is intended for limited liability companies and those partnerships that are registered to be treated as a company.

Another tool to develop CCS opportunities is the new Creative Industries Platform which gives to creative entrepreneurs the skill-set required to launch their business idea. This programme was born with the aim of facilitating the creation of sector support platforms within the culture and creative industries that will provide targeted assistance to help the sector grow sustainably. The scope of these platforms is also to provide support and services to help creative professionals improve their product and take their creative ideas to market. This is a three-year programme and provides a grant of up to 80% of the project cost capped at EUR 50,000 annually per platform.

In addition to the funding resources of the country the EU enhances access to finance for CCS SMEs and small public organisations operating within CCS through the Cultural and Creative Sectors Guarantee Facility. This EU financing support mechanism is demand-driven and its availability is subject to the take up by local financial institutions or foreign financial institutions with operations in the country. Information on the FIs providing EU guaranteed loans under the Cultural and Creative Sectors Guarantee Facility can be found on the EIF's [website](#).

MARKET FICHE

NORWAY



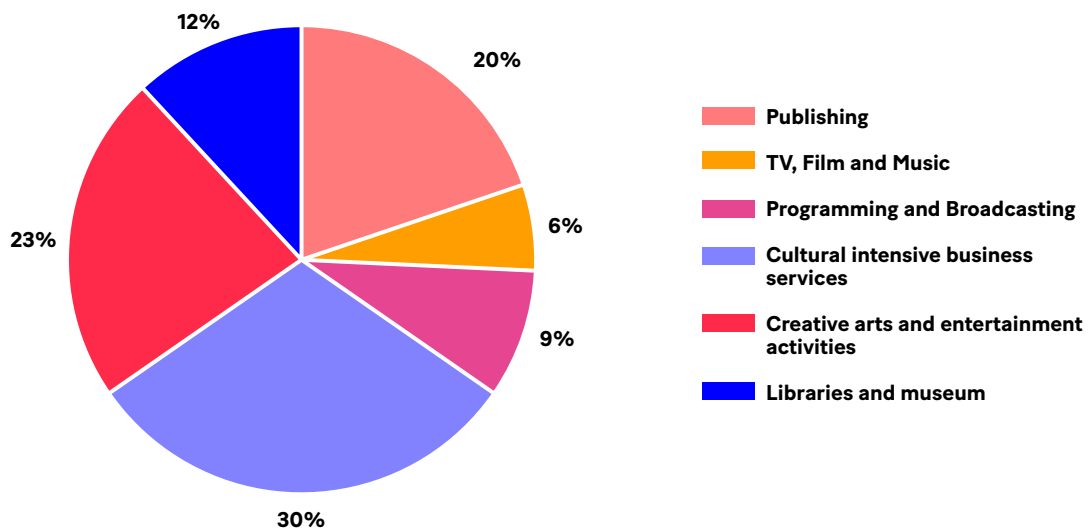
I. Specificity of the Norwegian market – context and introduction

The concept of cultural and creative industries does not have a long tradition in Norway. However, in recent years more attention was directed towards culture and its potential for economic growth. In 2007, the Ministry of Trade and Industry released a plan of action for culture and business in cooperation with the Ministry of Culture and the Ministry of Local Government and Regional Development and in 2013, a new action plan was released.

II. Presentation of key market data on the CCS

Norway's cultural and creative sectors are particularly focused on the film, book and music industries as well as video games. In 2014, the cultural and creative industries employed 68,000 people, which constituted 2.6% of the people employed in the entire economy. Moreover, there were 24,000 cultural and creative workers employed outside the cultural and creative industries. In total, Norway's creative economy employed 92,000 workers in 2014. With this extended definition, in 2014 Norway's creative economy represented 3.5% of all employment in the economy. As an illustration at regional level, in Oslo, employment in the cultural and creative sectors accounted for 8% of the region's overall employment while in nearly all other regions it accounted for around 3%. The chart below highlights Norway's CCS composition:

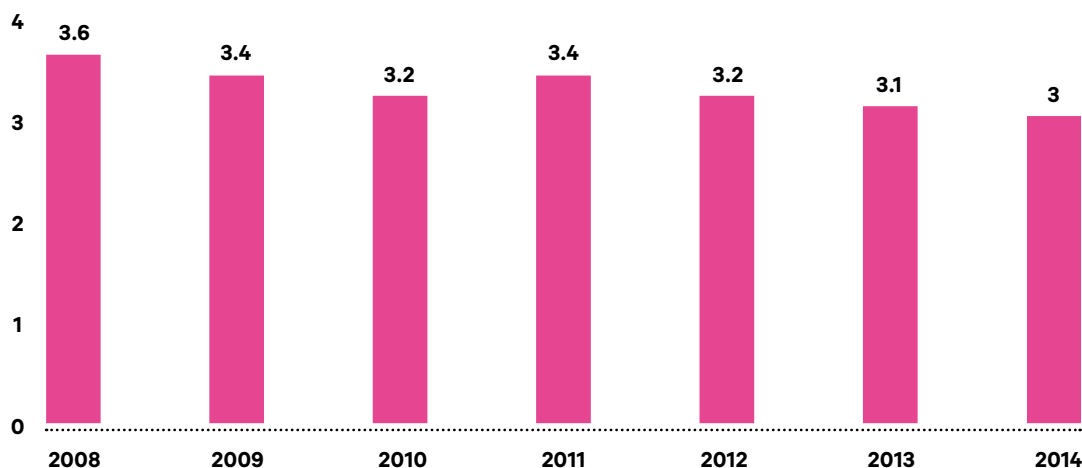
CCS in Norway - repartition per sector in 2014



Source: Knowledge Works National Centre for Creative Industries, Dynamic Mapping of Norway's Cultural and Creative Economy, 2017.

After the oil crisis, a 15% growth has been observed in both value added and employment between 2008 and 2014. However, the CCS have failed to keep pace with the overall economic growth of 38% during the same period. The industries' share of the economy has declined from 3.6% in 2008 to 3% in 2014, which poses a relative decrease of 16.7%. The development is shown in the figure below:

Share of GDP in the Norwegian mainland economy, 2008–2014



Source: The Creative Industries in Norway: 2008-2014
https://www.idunn.no/nkt/2016/02/the_creative_industries_innorway_2008-2014

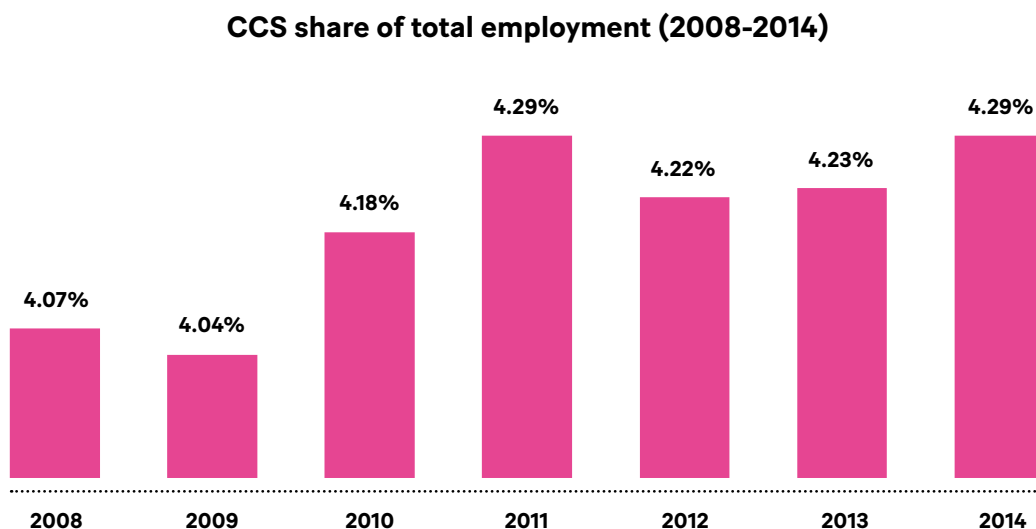
The table below presents the changes in value added for 2008–2014 for all CCS, as well as a comparison with the overall economy and the tourism sector. Despite their economic recovery, the CCS are outpaced by mainland economic growth in Norway (excluding petroleum related activities).

Change in value added (2008-2014)

Change per CCS sector	CCS	Mainland economy	Tourism Industry
Education			
	78%		
Visual Arts			
	44%		
<i>Museum and cultural heritage</i>	49%		
<i>Design</i>	48%		
<i>Art</i>	18%		
TV and Radio	38%		
Advertisement and Event	40%	15%	21%
Architecture	34%		
Performing Arts	21%		
Music	5%		
Film	1%		
Books	-1%		
Newspaper and Magazines	-12%		
Computer Games	-30%		

Source: The Creative Industries in Norway: 2008-2014

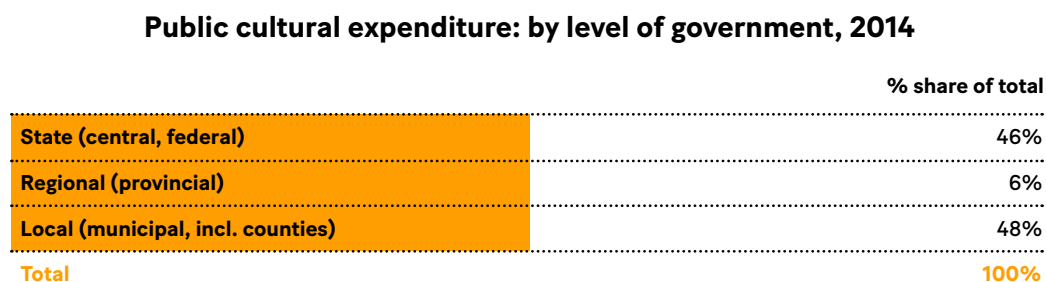
The chart below shows the CCS's share of total employment in Norway for all types of CCS business entities (2008–2014): it has grown from 4.07% in 2008 to 4.29% in 2014.



Source: The Creative Industries in Norway: 2008-2014

III. Main financing sources for the CCS

Public expenditure in cultural and creative sectors is divided across different administrative levels: State, regions and at local level.



Source: Compendium of cultural policy & trends.

In 2015, the government financed the establishment of a center for creative industries (Kunnskapsverket). The center contributes to the development of a comprehensive knowledge base for cultural industries in Norway.

The *Norwegian Film Institute* administers several State support schemes for the film industry. These include support for films, TV-series, short-films, documentaries, script development, film export etc.

Recently in 2016, the *Norwegian Film Institute* introduced a new incentive scheme aiming to increase the number of international films and series produced in Norway.

In addition to the funding resources of the country the EU enhances access to finance for CCS SMEs and small public organisations operating within CCS through the Cultural and Creative Sectors Guarantee Facility. This EU financing support mechanism is demand-driven and its availability is subject to the take up by local financial institution or foreign financial institutions with operations in the country. Information on the FIs providing EU guaranteed loans under the Cultural and Creative Sectors Guarantee Facility can be found on the EIF's [website](#).

MARKET FICHE POLAND



I. Specificity of the Polish market – context and introduction

Poland's economic growth strengthened in the first quarter of 2018, supported mainly by strong private consumption. Despite increasing public investment expenditure, investment growth remained modest. Overall, the GDP preliminary growth rate amounted to 4.6% in 2018 and is forecast to grow at 3.7% in 2019. Fast wage increases and high consumer confidence levels are expected to support private consumption, although its growth is expected to level as inflation peaks. Public investment is expected to rise considerably over the next years as the absorption rate of EU funds increases.⁷⁵

Poland is one of the largest exporters of labour within the European Union. Since Poland joined the EU in 2004, the country experienced a mass wave of emigration.⁷⁶ In September 2016, an estimated 2.52 million Polish were living outside the country.⁷⁷ However, the improving situation in the job market and the decreasing unemployment rate (in 2017 it reached 6.6%, the lowest in many years) translated into positive impacts on the immigration rate.

II. Presentation of key market data on the CCS

The CCS occupy a relatively small portion of the Polish economy. The manufacturing sector, which is the largest portion, shows a 10 time greater employment and GVA level than in the cultural sector. Yet, the CCS are quite significant, their economic importance being comparable to that of the mining sector.⁷⁸ The CCS have been gaining importance in terms of employment, but remained stable in terms of value added. Between 2008 and 2015, employment steadily increased (from 259,000 people in 2008 to 300,000 in 2015). Since employment growth in the CCS was faster than employment growth in the overall economy, the CCS increased its share in the Polish employment structure by 0.2%. The GVA generated by the CCS remained stable. In 2008, it amounted to almost PLN 31 billion, whilst it reached PLN 30 billion in 2015. However, the fast economic growth resulted in the rapid decrease of the CCS's share in GVA for the overall economy: from 2.4% in 2008 to 1.9% in 2015.⁷⁹

Cultural activity is strongly focused in the Mazowieckie Province, with 29% of the sector's employees being based there. The region boasts the highest share of people employed in occupations related to culture, which is 3.2% of the total employment. Generation of GVA is also heavily concentrated in this region: 37% of the GVA in the CCS is generated here.⁸⁰

The Polish CCS in 2015

Number of employees (in thousands)	300
Employment (in % of total economy)	1.9
Turnover (in % of total economy)	1.7
GVA (in EUR million)	7,000
GVA (in % of total economy)	1.9

Source: Jan Baran, Piotr Lewandowski, *The economic importance of the cultural sectors in Poland in 2008-2015*, 2017.
Data from 2015

⁷⁵ European Commission, Poland economic forecast 2018, https://ec.europa.eu/info/sites/info/files/economy-finance/ecfin_forecast_summer_12_07_18_pl_en_1.pdf

⁷⁶ The Central Statistical Office Poland, data from 2013

⁷⁷ <https://www.statista.com/chart/11779/will-polands-emigrants-come-back-home/>

⁷⁸ Jan Baran, Piotr Lewandowski, *The economic importance of the cultural sectors in Poland in 2008-2015*, 2017

⁷⁹ idem

⁸⁰ idem

Key CCS market data: breakdown per sector

The main CCS in Poland are TV, architecture and advertising in terms share of GVA; and performing arts, architecture and advertising in terms of employment. The table below shows the full breakdown per CCS sector.

CCS	GVA Share of total CCS (in %)	Employment Share of total employment in the CCS (in %)
TV	19	6
Architecture	17	12
Advertising	16	10
Publishing	12	9
Performing arts	11	25
Production and distribution of films	5	6
Design	4	5
Libraries and archives	2	6
Museums	2	5
Sales of books, newspapers, music and video recordings	2	3
Radio	2	2
Cultural Education	2	5
Cinema	1	1
Translation	1	2
Photography	1	2
Other	3	1
Total	100	100

Source: Jan Baran, Piotr Lewandowski, *The economic importance of the cultural sectors in Poland in 2008-2015*, 2017.
Data from 2015

III. Main financing sources for the CCS

Public expenditure on culture is increasing in Poland. In 2018, the allocated State budget for culture amounted to PLN 4 billion, an increase of 20% from 2015.⁸¹ Apart from increasing expenditure on culture, various financial incentives for cultural activities were developed. An incentive scheme for audiovisual production has been introduced in Poland in 2018 under the shape of a cash rebate system with an annual budget of around EUR 45 million managed by the Polish Film Institute. The aim of the scheme is to stimulate the Polish film industry, strengthen the local production sector and attract foreign investment.⁸² According to a 2015 report by PwC, a film production incentive could boost the total value of films shot in Poland from EUR 9 million to around EUR 28 million in five years, generating significant GDP value added and more jobs in the sector.⁸³

Private investment in culture is still at an early stage. Poland displayed an overall low level of sponsoring in the field of culture. According to a report from 2010, out of the 400 companies surveyed, only 126 supported cultural projects in 2009. More than 30% of the interviewed companies did not plan to invest in cultural projects in 2011 (50% of those were due to lack of funds in general). The same study revealed that the introduction of changes in tax legislation (especially exemptions) and other forms of incentives were considered crucial changes for the creation of a strong public-private model of culture financing.⁸⁴

⁸¹ Polish Culture Yearbook 2017 <https://www.nck.pl/upload/2018/05/polish-culture-yearbook-2017201.pdf>

⁸² <http://filmcommissionpoland.pl/about-fcp/news/new-fiscal-incentive-scheme-in-poland-jVQoh6>

⁸³ <https://polandinenglish.info/38222879/government-to-boost-national-film-industry>

⁸⁴ Compendium - cultural policies and trends – *Poland: financing of culture*, 2011 <https://www.culturalpolicies.net/web/poland.php?aid=63&cid=1360&curl=423>

In addition to the funding resources of the country the EU enhances access to finance for CCS SMEs and small public organisations operating within CCS through the Cultural and Creative Sectors Guarantee Facility. This EU financing support mechanism is demand-driven and its availability is subject to the take up by local financial institution or foreign financial institutions with operations in the country. Information on the FIs providing EU guaranteed loans under the Cultural and Creative Sectors Guarantee Facility can be found on the EIF's [website](#).

MARKET FICHE PORTUGAL



I. Specificity of the Portuguese market – context and introduction

In Portugal, many cultural policies have been implemented over the years, concentrating mainly on the protection of cultural heritage as well as the promotion and development of national networks of activities and facilities. From 2009 onwards, strategic importance has increasingly been attributed to topics such as the promotion of the Portuguese language, the cultural and creative industries and support to the internationalisation of Portuguese artists and cultural institutions.

II. Presentation of key market data on the CCS

According to Eurostat data, the CCS have a wide impact on the overall Portuguese economy, contributing to around 153,300 jobs in 2016, which represents 3.4% of total jobs in Portugal. This amount has decreased over the years, starting from 158,300 jobs in 2011.

	2011	2012	2013	2014	2015	2016
Number of companies	72,968	69,375	67,861	69,026	71,453	73,951
Number of employees (in thousands)	158.3	148.5	144.7	146.7	150	153.3

Source: Eurostat

Portuguese studies on CCS have reported information on the GVA produced by the CCS from 2010 to 2012, as presented below.

Gross Value Added per CCS (in EUR million)

	2010	2011	2012
Heritage	143.3	139.2	154.6
Archives	27.8	28.1	24.1
Libraries	58.1	56.8	52.6
Books & press	1,003.40	860.1	789.5
Visual arts	143.1	136.7	121.9
Performing arts	232.1	206.2	208.7
Audiovisual & multimedia	624.3	621.2	560.8
Architecture	152.5	117.9	91
Advertising	261.2	243.2	216.5
Inter-disciplinary	242.4	239.3	244.1
Total	2,888.2	2,648.7	2,463.8

Source: INE – culture satellite account https://www.ine.pt/xportal/xmain?xpid=INE&xpgid=cn_quadros&boui=239774903

III. Main financing sources for the CCS

Although creative industries are gaining importance in Portugal, at the same time there are still many challenges to be addressed.

Some initiatives have been promoted in terms of funds, such as: *IN Serralves* – Incubator of the Creative Industries with the aim of stimulating the development of companies or individuals pursuing creative and innovative activities with commercial potential. Furthermore, in 2007 the Investment Fund for Cinema and Audiovisual was created to foster the development of the sector through boosting the value added of the sector and generating additional business opportunities. Among its various objectives, the Investment Fund aims at contributing to the integrated development of the audiovisual sector by giving preference to interventions oriented towards raising the sustainability of cinematographic and audiovisual activities, boosting the creative and competitive capacity of SMEs and increasing the penetration of works produced or co-produced by these SMEs into international markets.

In addition to the funding resources of the country the EU enhances access to finance for CCS SMEs and small public organisations operating within CCS through the Cultural and Creative Sectors Guarantee Facility. This EU financing support mechanism is demand-driven and its availability is subject to the take up by local financial institution or foreign financial institutions with operations in the country. Information on the FIs providing EU guaranteed loans under the Cultural and Creative Sectors Guarantee Facility can be found on the EIF's [website](#).

MARKET FICHE

ROMANIA



I. Specificity of the Romanian market – context and introduction

In 2017, economic growth accelerated in Romania, with a GDP increase of approximately 6.9% (year on year), which represents a post-crisis high. Private consumption was the main driver of growth, coupled with indirect tax cuts and wage growth in both the public and private sectors.⁸⁵ In 2018, the economy has experienced a downward trend. In the first quarter of the year, GDP grew by 4% (year on year) which was primarily due to inflation which generated a contraction of private consumption.

In 2018 and 2019, private consumption has tempered and investment strengthened, in the context of a pick-up in the implementation of projects financed by EU funds. Unemployment is expected to remain close to its current low level over the forecast horizon. Nominal wage growth continued in 2018, albeit at a slower pace.

The decrease of birth rate and the increase of elderly population (over 65 years old) over the last few years⁸⁶ have resulted in a deepening of the demographic ageing in the country. The decline of the population is further emphasised by the fact that Romania has the second highest emigration growth rate after Syria (7.3% per annum⁸⁷). As such, it is expected that Romania's population would decrease from 19.5 million in 2018 down to 17 million inhabitants by 2050.

During 2009, a series of proposals by the Ministry of Culture, Religion and National Heritage were set out for developing a public policy that supports creativity and culture, a strategy aiming to support SMEs and a strategy for the increase of the adoption of EU funds for culture.

The CCS contribution to the overall GDP has been growing steadily since 2002, from around 4% in 2002 to around 7% in 2014, surpassing other important sectors like agriculture and even construction.

II. Presentation of key market data on the CCS

The Cultural and Creative Sectors in 2015

Turnover (in EUR million)	10,000
Employment (in thousands)	277
Employment (in % of the overall economy)	3.0
GVA (in EUR million)	800

Source: White Paper on Culture and Creative Sectors in Romania; data from 2015

The CCS recorded a significant growth in the period 2011-2015, as the overall GVA for CCS operators tripled during the period under review from around EUR 250 million (2011) to approximately EUR 800 million (2015). The highest growth was recorded by the ICT sector, followed closely by the electronic games and advertising sectors. In 2015, the audiovisual, media and design operators managed to turn loss into profit at national level.

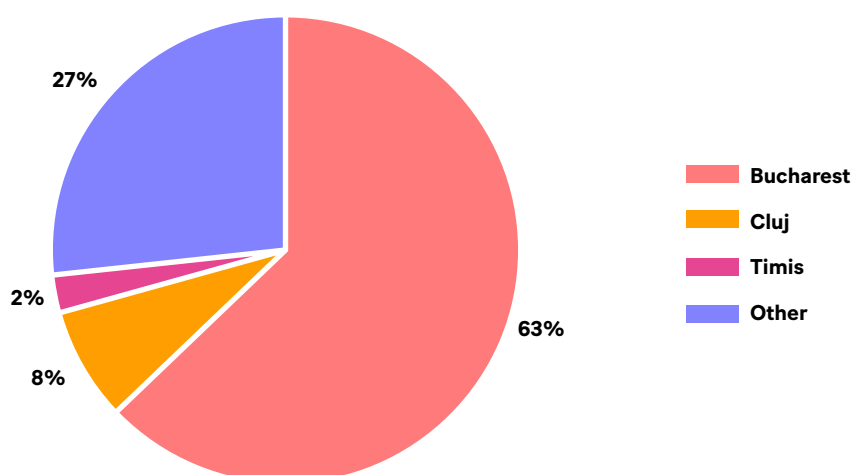
⁸⁵ European Commission, Romania Economic Forecast 2017, https://ec.europa.eu/info/sites/info/files/economy-finance/ecfin_forecast_summer_12_07_18_ro_en.pdf

⁸⁶ Romanian National Institute of Statistics 2017

⁸⁷ United Nation's Migration Report 2015 Highlights http://www.un.org/en/development/desa/population/migration/publications/migrationreport/docs/MigrationReport2015_Highlights.pdf

Romanian CCS gravitate around three main creative regional poles: Bucharest (which thrives in radio and advertising sectors), Cluj (the capital of performing shows and music festivals) and Timis (a leader in gaming).⁸⁸ In 2014, Bucharest's total turnover for CCS accounted for a staggering 63% of the total CCS contribution at national level, the highest level in the country.

Total turnover per region in 2015 (% of CCS total turnover)



Source: White Paper on Culture and Creative Sectors in Romania; data from 2015

In Romania, the main CCS sector in terms of turnover and employment are by far ICT and electronic games, followed by advertising, and Books and Press. Altogether they represent more than two thirds of the total CCS turnover, and more than half of CCS total number of employees. A detailed breakdown per sector is presented in the table below:

CCS sector	Turnover		Employment	
	In RON billion	Share of CCS (in %)	Number of Employees	Productivity of labour (turnover / n. employees)
Archives and Libraries	0.689	1.70	6,233	111
Cultural Heritage	0.064	0.16	509	126
Crafts and Manufacturing	1.825	4.51	14,269	128
Visual Arts	3.613	8.92	16,790	215
Performing Arts	1.025	2.53	9,161	112
Architecture	1	2.47	7,922	126
Books and Press	5.39	13.31	27,699	195
Audiovisual and media	4.66	11.50	16,800	278
Advertising	5.38	13.28	20,638	261
ICT and Electronic Games	16.86	41.62	80,100	211
Total	40.506	100	200,121	202

Source: White Paper on Culture and Creative Sectors in Romania; data from 2015

III. Main financing sources for the CCS

The Romanian State earmarked a budget of RON 1.1 billion (approx. EUR 237 million) for cultural activities in 2018, which represents a 50.4% increase from 2017. The 2018 budget represents 0.13% of the country's GDP.

⁸⁸ <http://investromania.gov.ro/web/business-in-romania/creative-industry/>

An important CCS financing initiative titled RO-Cultura was launched by the Ministry of Culture in June 2018. The programme aims at consolidating economic and social development via cultural cooperation, cultural entrepreneurship and the management of cultural heritage. The total budget amounted to EUR 29 million, out of which EUR 24.6 million was granted by the EEA Grants and EUR 4.3 million represented State co-financing.⁸⁹

Currently, Romania does not have a tax incentive mechanism for audiovisual production, despite the potential benefits such a scheme would have on the economy and the local audiovisual ecosystem. The aggregate turnover of the film industry in Romania was around EUR 53 million in 2015 out of which 82% was generated by foreign productions shot in the country.⁹⁰ A tax scheme is expected to increase foreign film production by up to approximately EUR 350 million and to generate revenues up to 4 times higher than the value of the subsidy which was estimated to amount up to EUR 35 million per year.⁹¹

In addition to the funding resources of the country the EU enhances access to finance for CCS SMEs and small public organisations operating within CCS through the Cultural and Creative Sectors Guarantee Facility. This EU financing support mechanism is demand-driven and its availability is subject to the take up by local financial institution or foreign financial institutions with operations in the country. Information on the FIs providing EU guaranteed loans under the Cultural and Creative Sectors Guarantee Facility can be found on the EIF's [website](#).

⁸⁹ Compendium of cultural policies; Romania chapter.

⁹⁰ PwC Romania report 2015

⁹¹ Idem

MARKET FICHE

SLOVAKIA

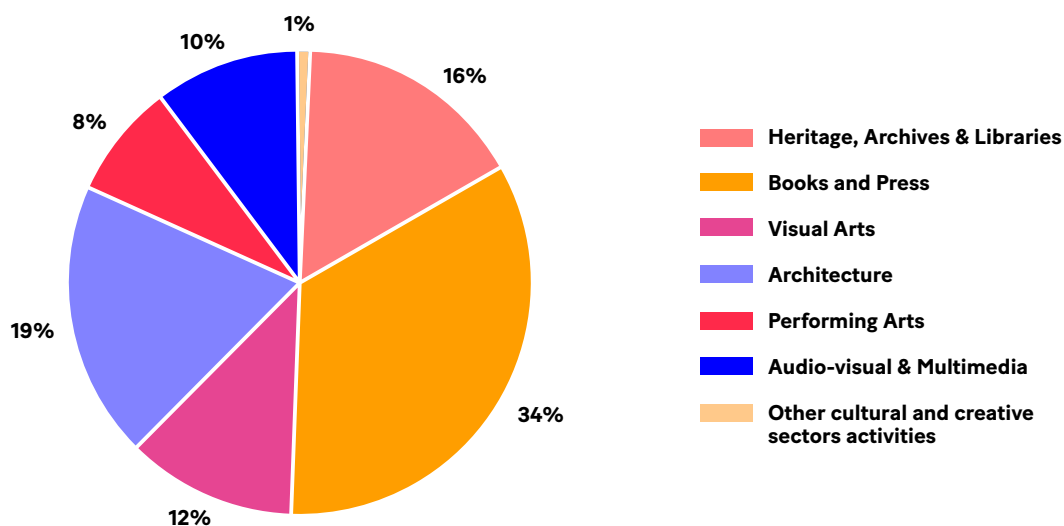
I. Specificity of the Slovakian market – context and introduction

With the fall of the Soviet Union in 1989, cultural policy in Slovakia changed drastically. The newly founded republic established centres for various areas of culture (theatre, music, galleries, monuments, museums, the audiovisual arts, public education, media) at national level, while the CCS at local level was managed by a network of regional cultural centres. This transition period arguably had negative consequences for the Slovakian cultural markets (collapse of film production, atomisation of the book market). With the preparation of the EU accession process and the reform of Slovakian institutions, Slovakia's cultural policy has been reformed and led to the decentralisation of 152 cultural institutions to regions.

II. Presentation of key market data on the CCS

According to the data available at Eurostat, in 2016, Slovakia counted 28,775 enterprises active in the CCS. The main sectors are visual arts, performing arts and books & press. Altogether, they account for more than half of total CCS companies.

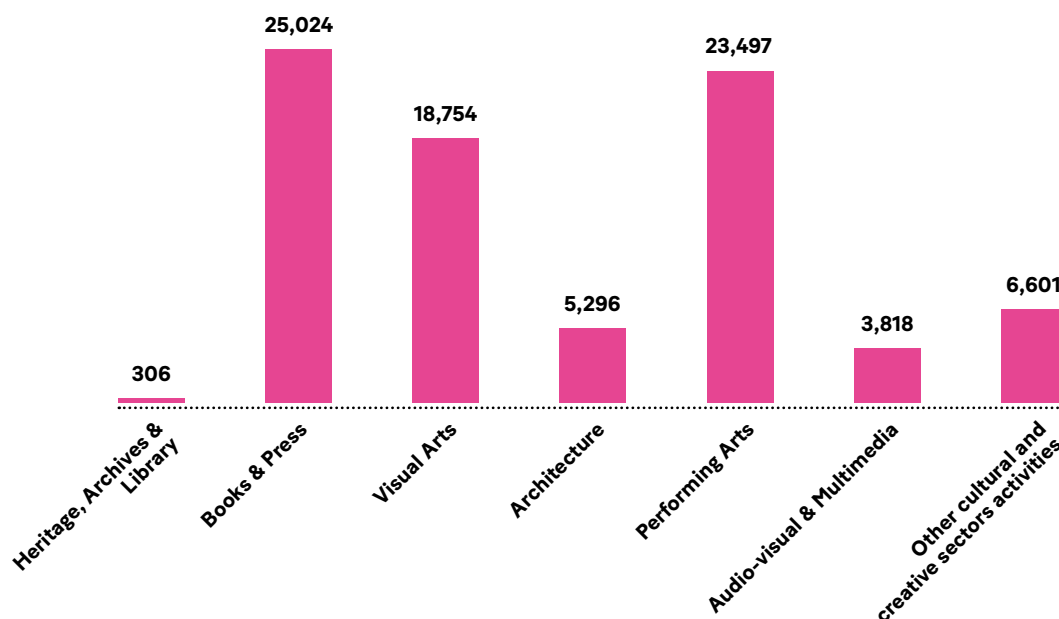
Number of CCS companies in 2016



Source: Eurostat

In terms of jobs, 83,296 people were employed in the CCS in Slovakia in 2016. The sectors offering higher job opportunities are books & press, performing arts and visual arts.

Employment per CCS sector in 2016



Source: Eurostat

The GVA of the Slovakian CCS grew between 2011 and 2016, although at an irregular pace: the GVA peaked at EUR 1,108 million in 2012 and then dropped to EUR 821 million in 2014 before starting a new positive growth phase.

	2011	2012	2013	2014	2015	2016
Number of companies	25,343	24,589	24,746	26,735	27,482	28,775
GVA (in EUR million)	905	1,108	832	821	929	960

Source: Eurostat

III. Main financing sources for the CCS

The Slovakian CCS rely mainly on public support, as is the case for many other European countries. According to the compendium on cultural policies and trends in Europe, public expenditure on culture at all governmental levels (State, region and local) represented 14.6% of the total public expenditure of Slovakia or 0.61% of the Slovakian GDP in 2016. The Ministry of Culture, which represents the major financing source for the CCS in Slovakia had an allocated budget amounting to 1.4% of the overall State budget in 2016. This funding remained relatively stable. The expenditure of the Ministry of Culture rose by 0.36% between 2010 and 2016.

Another financing source for the Slovakian CCS is the Audiovisual Fund (AVF) which made available around EUR 4 million in 2016. The Slovak Art Council, established in 2016, has provided approximately EUR 4 million per annum to the CCS since its set up.

In addition to the funding resources of the country the EU enhances access to finance for CCS SMEs and small public organisations operating within CCS through the Cultural and Creative Sectors Guarantee Facility. This EU financing support mechanism is demand-driven and its availability is subject to the take up by local financial institution or foreign financial institutions with operations in the country. Information on the FIs providing EU guaranteed loans under the Cultural and Creative Sectors Guarantee Facility can be found on the EIF's [website](#).

MARKET FICHE SLOVENIA



I. Specificity of the Slovenian market – context and introduction

The historical development of CCS in Slovenia has gone through several changes especially after the collapse of the former-Yugoslavia in the 1990s and the creation of the current independent democratic State. After Slovenia gained its independence in 1991, a new legal framework was adopted in 1994 (Exercising of the Public Interest in Culture Act) to replace the old socialistic cultural model with a democratic one. Since then, Slovenian cultural policy has been developed at an incremental pace.⁹² It should be noted, however, that most of the cultural institutions and initiatives are still promoted by public institutions and public funding still remains the main source of financing for the CCS.

Nowadays, Slovenia has a well-developed network of cultural institutions, organisations and enterprises, which is comparable to the most developed European countries. In particular, the CCS play an important role in Slovenia's regional development policies. The CCS are included in Slovenia's Smart Specialisation Strategy⁹³ (even if to a relatively limited extent) and were also given an important role in the regional development programme of the Ljubljana Urban Region 2014-2020.⁹⁴

II. Presentation of key market data on the CCS

The CCS make a significant contribution to Slovenia's GDP. In 2016, the number of CCS companies was 16,559, and approximately 26,700 people were employed in the CCS. In 2016, the GVA of enterprises in the CCS was EUR 524 million.

Despite the GVA decline, there was an overall increase in the number of CCS companies between 2011 and 2016, whereas employment remained stable, as shown in the table below.

	2011	2012	2013	2014	2015	2016
Number of companies	12,479	12,858	14,036	14,925	15,770	16,559
Number of employees (in thousands)	26.9	26.8	26.6	26.1	25.9	26.7
GVA (in EUR million)	563	526	491	483	511	524

Source: Eurostat

Ljubljana is at the centre of the Slovenian cultural and creative scene; it is estimated that around 60% of all Slovenian cultural events, infrastructure and people working in culture are concentrated in the capital.⁹⁵ The city has a solid infrastructural and educational ecosystem which favours the development of cultural associations and creative and cultural industries. Most national cultural institutions and organisations (such as the RCKE - Regional Creative Economy Centre) and all the major facilities are located in Ljubljana, as well as several bottom-up initiatives such as Poligon (co-working space) or Zavod Big.

Furthermore, the Ljubljana region has a larger share of CCS SMEs in comparison to the overall share of CCS SMEs of Slovenia (respectively 11.2% and 8.9% in 2015) and a larger share of people employed in CCS SMEs (respectively 5.6% and 4% in 2015).⁹⁶

⁹² Source: <https://www.culturalpolicies.net/web/slovenia.php>

⁹³ http://www.svrk.gov.si/fileadmin/svrk.gov.si/pageuploads/SPS_predstavitev/S4_dokument_2015_oktober_eng_clean_lekt.pdf

⁹⁴ <http://www.ruralur.si/sites/default/files/ruralur/RRP%20LUR%202014-2020%20english%20version.pdf>

⁹⁵ CRE:HUB (2017) State of Art of the CCI Sector in Ljubljana Urban Region, January 2017

⁹⁶ Ibid.

III. Main financing sources for the CCS

In Slovenia, the cultural sector is relatively well supported by the State and the main share of resources for the CCS comes from public funding.

● Public funding

In 2013, public cultural expenditure represented 0.79% of GDP (EUR 283.976 million).⁹⁷ Within the public sphere, culture in Slovenia is financed by two main actors:

- the State: the Ministry of Culture is responsible for the distribution of the majority of public funds for culture (ca. 55% in 2013).
- local authorities.

While the State remains the main source of public funding for culture, in the last decade there has been a more equal distribution of income and responsibilities between the State and local authorities, following a process of decentralisation which was accelerated after 2004, as shown in the table below:

	2000	2005	2006	2007	2008	2009	2010	2011	2012	2013
State	61%	64%	60%	60%	55%	57%	55%	56%	51%	55%
Municipalities	39%	36%	40%	40%	45%	43%	45%	44%	49%	45%

Source: Ministry of Culture, Ministry of Finance.

Slovenia is one of the (few) countries in the European Union where the local funds constitute a smaller part of the overall public budget than the State funds.⁹⁸

Various programmes and projects are supported by the cultural budget including those of public cultural institutions (national and municipal), including:

- The Slovenian Film Centre
- The Slovenian Book Agency
- The Public Fund of the Republic of Slovenia for Cultural Activities
- Subsidies and grants for artists
- Professional societies, scholarships
- Cultural festivals
- Investments in information technology
- Sites and monuments
- Minimum social security for self-employed artists
- Retirement benefits for cultural workers, etc.⁹⁹

● Private funding

There is no special system for monitoring the implementation of incentives for private investment in the arts and culture in Slovenia. The implementation is monitored by the Statistical Office of Republic of Slovenia (SORS), but they also struggle in methodological terms. It has been calculated that the money raised by the main tax incentive for donations (0.3% of taxable income for any charity contribution) ranges between 9.32% of all possible funds that could be given for that incentive for 2003 and 16.17% for 1997. In recent years (2010-2013), this share has been constantly declining, and has amounted to only 6.27% in 2013. In addition, only 8.53% of eligible taxpayers use this incentive. The use of the second incentive (additional 0.2% of taxable income for particular charitable contributions, including culture) has been even lower, amounting to 1.25% of all

⁹⁷ Compendium of Cultural Policies, Slovenia chapter <https://www.culturalpolicies.net/web/slovenia.php>

⁹⁸ Ibid.

⁹⁹ Ibid.

possible funds in 2013. Only 1.50% of all eligible taxpayers made use of this incentive.¹⁰⁰

● EU funding support

The Slovenian CCS are actively involved in the Creative Europe programme of the European Union (857 projects between 2000-2018). It is worth noting that the majority of the organisations that received funding are private (60% of the total in 2017 and 57% in 2018).¹⁰¹

In addition to the funding resources of the country the EU enhances access to finance for CCS SMEs and small public organisations operating within CCS through the Cultural and Creative Sectors Guarantee Facility. This EU financing support mechanism is demand-driven and its availability is subject to the take up by local financial institution or foreign financial institutions with operations in the country. Information on the FIs providing EU guaranteed loans under the Cultural and Creative Sectors Guarantee Facility can be found on the EIF's [website](#).

¹⁰⁰ Compendium of Cultural Policies, Slovenia chapter <https://www.culturalpolicies.net/web/slovenia.php?aid=63>

¹⁰¹ Slovenian Ministry of Culture, EU funding page https://www.culture.si/en/EU_funding

MARKET FICHE

SPAIN



I. Specificity of the Spanish market – context and introduction

Despite the strong negative impact that the recession had on employment and overall national economy, Spain remains an important economic force in Europe, ranking 5th in the European Union. After expanding at over 3% in the past three years, the economy is projected to grow at a robust, but more moderate pace in 2019. The GDP grew by 2.6% in 2018 and is expected to further increase at a 2.4% rate in 2018 and 2019 respectively.¹⁰²

The low birth rate and high life expectancy account for Spain's ageing population. If the trends continue, by 2050 the over 65's will make up the 34.6% of the population. By the same year, the country would have lost 11% of its current population.¹⁰³

Favourable financial conditions will continue to support private domestic demand. Net exports will continue to positively contribute to GDP growth. However, unemployment remains high. More effective labour market policies and re-skilling are needed to reduce unemployment and inequalities and make growth more inclusive. The unemployment rate is predicted to slightly decrease to 13.8% in 2019.

Private consumption continues to be the main driver of growth, favouring employment creation. Business investment is growing thanks to supportive financing conditions, lower corporate indebtedness and stronger confidence. However, the persistent uncertainty in Catalonia could lower confidence and hamper domestic demand.

The 2014 edition of the Ministry of Culture's Plan for the Promotion of the Cultural and Creative Industries added to the traditional sectors of creative industries (film, visual arts, cultural heritage, performing arts, television, radio, music, books and newspapers) new sectors closely linked to innovation and creativity such as design, fashion, architecture, advertising, new media, video games and interactive arts. However, a definition of 'cultural and creative industries' still does not exist in the Spanish national cultural policy.

II. Presentation of key market data on the CCS

The Cultural and Creative Sectors in 2016

Number of companies	114,099
Employment (in thousands)	544.7
GVA (in % of total economy)	3.2

Source : Spanish Ministry of Education, Culture and Sport, *Yearbook Cultural Statistics 2017* (data from 2016) https://www.mecd.gob.es/dam/jcr:9ac24c01-5761-4379-9633-4886e6ca068c/Note_Yearbook_Cultural_Statistics_2017.pdf

The above figures highlight the significance of the CCS within the Spanish economy. In 2015, their contributions had a greater weight in the economy than those of agriculture, livestock and fishing (2.8%).

¹⁰² OECD, *Spain Economic Forecast*, May 2018, <http://www.oecd.org/eco/outlook/spain-economic-forecast-summary.htm>

¹⁰³ <http://www.ine.es/prensa/np994.pdf>

The total amount collected by all the management agencies of intellectual property rights active in the CCS amounted to EUR 356.4 million in 2016, similar to the level recorded in 2015. The total amount distributed for rights in 2016 reached EUR 305 million.¹⁰⁴

The Books and Press sector accounts for the highest economic contribution in the Spanish CCS, amounting to 32.3%, which elevates to 0.84% of the total GDP.

CCS sector	In EUR million	GVA % out of CCS	% out of total economy
Heritage, archives and libraries	2,470	9.4	0.24
Books and Press	8,494	32.3	0.84
Visual Arts	3,608	13.7	0.36
Performing Arts	2,535	9.6	0.25
Audiovisual and Multimedia	7,425	28.3	0.73
Interdisciplinary	1,737	6.6	0.17
Total	26,269	100	2.6

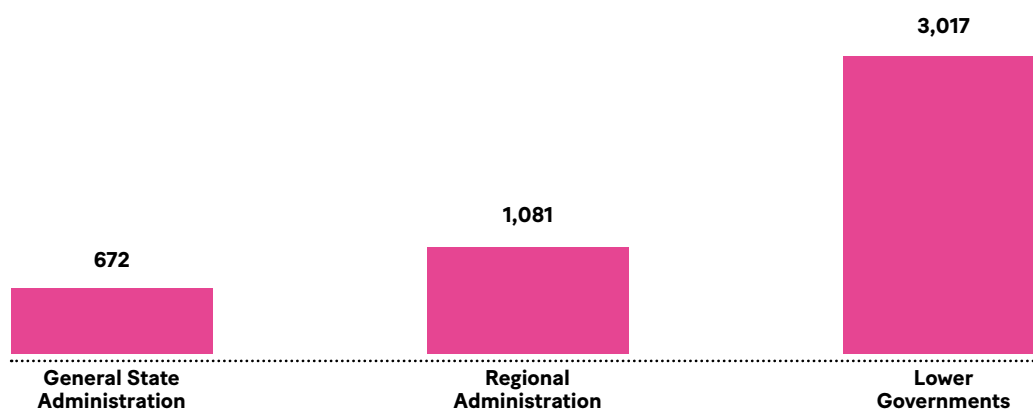
Source: CULTURABase, data from 2016
<http://estadisticas.mecd.gob.es/CulturaJaxiPx/Tabla.htm?path=/t22/p22c/a2016//I0/&file=T22C1001.px>

The Spanish creative sectors are highly concentrated, displaying two main creative poles around Madrid and Barcelona. In 2012, the Madrid creative pole accounted for 30% of Spanish employment in the creative sector, while Barcelona accounted for 15%.¹⁰⁵ The Basque country and the Valencian region are also very active in the CCS.

III. Main financing sources for the CCS

Public spending on the CCS in Spain is implemented at three levels: at State level (via the General State Administration), at regional level (via the regional administrations) and at local level (via local governments).

Public spending on the CCS in 2015 (in EUR million)



Source: Compendium of Cultural policies, chapter on Spain

Spending by the General State Administration in 2016 amounted to EUR 663 million representing an annual decrease of 1.3%.

Another source of financing for the CCS stems from private investment via a system of tax credits, especially for the audiovisual sector. The Spanish regulation includes, since January 2015, a re-

¹⁰⁴ Spanish Ministry of Education, Culture and Sport, *Yearbook Cultural Statistics 2017* (data from 2015) https://www.mecd.gob.es/dam/jcr:9ac24c01-5761-4379-9633-4886e6ca068c/Note_Yearbook_Cultural_Statistics_2017.pdf

¹⁰⁵ Capone F and Boix R, 'Reasons for Clustering of Creative Industries in Italy and Spain' in *European Planning Studies*, August 2012

newed tax credit for investments in film productions and audiovisual series. It has also introduced a new tax credit related to the production and exhibition of live musical and arts performances. The Spanish tax rebates for investment in cultural and audiovisual projects range between 20 and 40% of the local expenditure.

In addition to the funding resources of the country, the EU enhances access to finance for CCS SMEs and small public organisations operating within CCS through the Cultural and Creative Sectors Guarantee Facility. This EU financing support mechanism is demand-driven and its availability is subject to the take up by local financial institution or foreign financial institutions with operations in the country. Information on the FIs providing EU guaranteed loans under the Cultural and Creative Sectors Guarantee Facility can be found on the EIF's [website](#).

MARKET FICHE SWEDEN



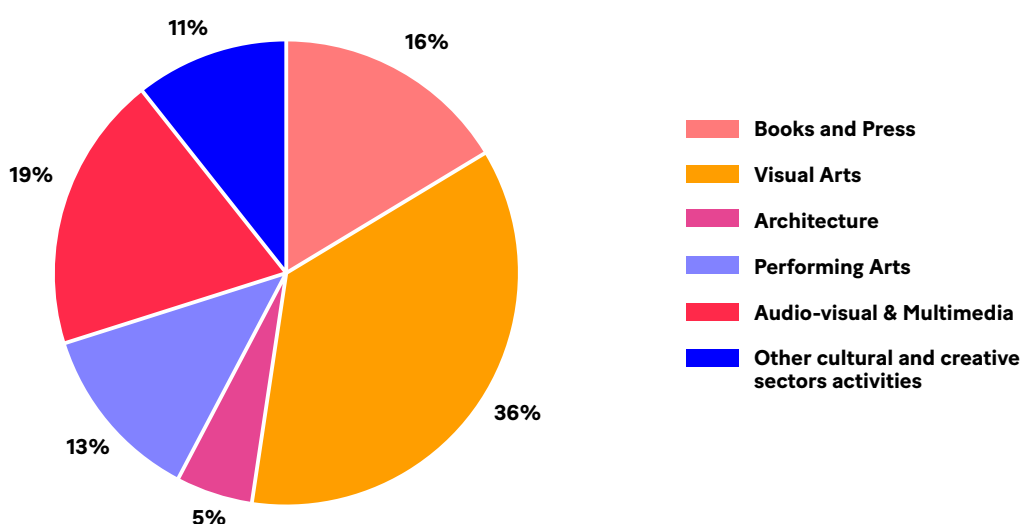
I. Specificity of the Swedish market – context and introduction

The Swedish monarchy relies on historic cultural institutions like the Royal Library, the Royal Opera or the Royal dramatic Theater which foster the development of the policy objective for “quality culture”. This policy objective was broadened in the 1970’s through a government bill on culture from 1974, which created the Swedish arts council, an institution with a mission to promote culture and its availability through the dispersion of government grants. Swedish cultural policy now aims to promote a model of cultural cooperation, which aims to foster local and regional support to the CCS and partnerships across levels of governments, to promote ‘localness’ in a context of globalisation of culture.

II. Presentation of key market data on the CCS

According to the data available at Eurostat on the CCS, Sweden counted 72,659 enterprises active in the CCS in 2016. The main sectors in terms of numbers of companies are visual arts (more than one-third of the total CCS companies), audiovisual and multimedia, and books & press. Altogether, they account for more than 70% of total CCS companies.

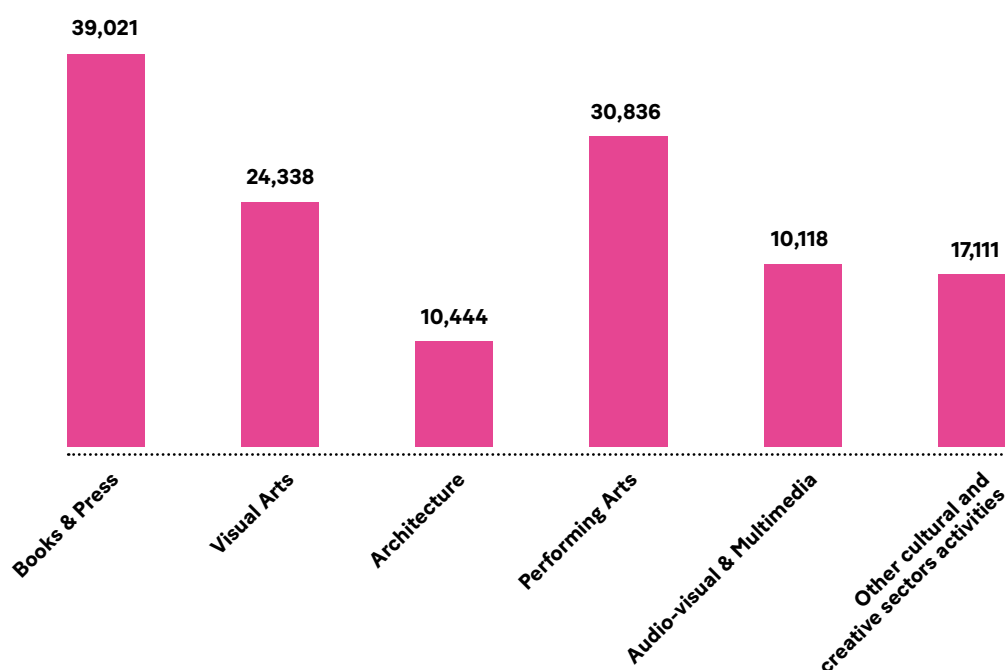
Repartition of CCS companies per sector in 2016



Source: Eurostat

In terms of jobs, 139,868 people were employed in the CCS in Sweden in 2016. The sectors offering higher job opportunities are books & press, performing arts and visual arts.

Employment per CCS sector in 2016



Source: Eurostat

The GVA of the Swedish CCS observed a 2.5% cumulative annual average growth rate from 2011 to 2016, amounting to EUR 8,202 million in 2016. Overall, the change observed between 2011 and 2016 is also positive when it comes to the number of companies and employees in the Swedish CCS.

	2011	2012	2013	2014	2015	2016
Number of companies	68,817	69,631	69,309	70,575	71,506	72,659
Number of employees (in thousands)	134.1	132.4	130.9	134.3	146.6	139.9
GVA (in EUR million)	7,236	7,459	7,610	7,510	8,377	8,202

Source: Eurostat

III. Main financing sources for the CCS

Even if public funding plays a major role for the main Swedish cultural institutions, overall the Swedish CCS do not benefit from significant support in the form of public funding. In 2011, government expenditure on culture was approximately EUR 2.6 billion which represents around 2.6% of the total budget expenditure of the country's government, though a few support schemes exist for CCS SMEs. Sweden does not rely on a policy dedicated to the cultural and creative sectors in their totality. Nevertheless, the important contribution of the State to culture supports some Swedish CCS enterprises financially, in particular the ones specialised in the production of books, cinema or music. Certain specific measures are also dedicated to some CCS sectors. For instance, in 2002, the Swedish government decided to reduce the value added tax (VAT) on books from 25% to 6%.

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MARKET FICHE

— THE NETHERLANDS



I. Specificity of the Dutch market – context and introduction

The Netherlands have always focused their CCS policy upon four main pillars: identity and promotion of cultural diversity, intercultural dialogue, freedom of expression and association and opinion. Recently, Dutch policies have increasingly directed attention to the support of creativity and the promotion of cultural participation. Although Dutch cultural policies are reformulated every four years, in practice, there is a high degree of continuity. Internationalisation, participation, education, innovation, talent development, entrepreneurship and the preservation of cultural heritage have long constituted priority areas. The recent ClickNL initiative is, however, bringing a clear innovation perspective in CCS policy, with a view to target support schemes towards the competitiveness and innovation potential of the CCS.

II. Presentation of key market data on the CCS

In the Netherlands, the CCS are a powerful driver for the development of innovative ideas, products and services, and as a way to offer solutions for societal issues¹⁰⁶. Being a collection of several market-oriented cultural sectors, from fashion to architecture and from gaming to dance, the creative industry is a source of applied creativity. That creativity is deployed in the sector through the design of its products and services, from fashion to TV format and from app to building. The Dutch CCS rank among the world's top ten for trade, jobs and brands.¹⁰⁷ The Dutch gaming industry is especially strong in serious gaming and simulation. All in all, the CCS provide a huge contribution to the overall Dutch economy.

Country Profile - The Netherlands - Creative Industries trade Performance, 2003 and 2012

The Netherlands	2003			2012		
	Exports	Value (in USD million) Imports	Balance	Exports	Value (in USD million) Imports	Balance
All Creative Industries	10,544	12,462	-1,918	10,158	11,366	-1,208
All Creative Goods	4,750	5,075	-325	9,395	9,775	-380
All Creative Services	5,794	7,387	-1,593	763	1,591	-828

Source: UNCTAD Creative Economy Outlook and Country Profile report (2018)

The Netherlands' creative industries' exports remained almost unchanged since 2003. They were valued at USD 10,544 million in 2003 and USD 10,158 million in 2012. Although the imports decreased from USD 12,462 million to USD 11,366 million, there was still a negative trade balance in 2012 of USD 1,208 million.

Cultural and creative activities employed 186,000 people in 2015 (2.6% of total jobs). There were 144,100 companies in the CCS, which represented 11% of the total number of companies in the Netherlands. It is worth noting that the CCS grew faster than the overall economy, with a growth of 2.3% over the period 2005-2015 as compared to 0.4% for the overall economic growth. In 2016, the total turnover of the CCS amounted to EUR 16.8 billion (2.8% of the Dutch GDP).¹⁰⁸

¹⁰⁶ ClickNL Knowledge and Innovation agenda. Available at <https://www.clicknl.nl/en/knowledge-and-innovation-agenda/>

¹⁰⁷ UNCTAD Creative Economy Outlook and Country Profile report (2018)

¹⁰⁸ Dutch Creative Council (2017) Monitor Creatieve Industrie 2016. Available at: <http://www.creative-council.nl/de-creatieve-industrie>

III. Main financing sources for the CCS

The CCS play a very important role in the Dutch governmental agenda. In fact, there are at least six government-subsidised cultural funds: The Performing Arts Fund NL, Dutch Foundation for Literature, Mondriaan Fund (on visual arts and cultural heritage), Cultural Participation, Netherlands Film Fund, and the Creative Industries Fund NL. The government decides on broad policy orientations but does not manage the funding schemes as such. These funds issue call for proposals every year and overall provide funding for cultural projects from all CCS. They also support internationalisation and export projects. Furthermore, there are several private foundations that support arts, such as the *VandenEnde Foundation*, *VSB Fonds*, *Prince Bernhard Cultural Foundation* and *Buma Culture*. Media has also its own funding bodies: the Co-production Fund National Public Broadcasting and the Dutch Journalism Fund.

In addition to the funding resources of the country the EU enhances access to finance for CCS SMEs and small public organisations operating within CCS through the Cultural and Creative Sectors Guarantee Facility. This EU financing support mechanism is demand-driven and its availability is subject to the take up by local financial institution or foreign financial institutions with operations in the country. Information on the FIs providing EU guaranteed loans under the Cultural and Creative Sectors Guarantee Facility can be found on the EIF's [website](#).

MARKET FICHE

— THE UNITED KINGDOM



I. Specificity of the UK market – context and introduction

The United Kingdom has historically spearheaded the development of the very notion of creative industries. According to official government data, the creative industries are powering the creation of jobs and businesses across the UK and driving local growth. It is estimated that the CCS in the median UK local economy have grown by 11% between 2011-14 and 2015-16 (twice as fast as the rest of the UK economy). This is a clear sign of the CCS's potential for further growth across the UK, including by international trade and partnerships.

II. Presentation of key market data on the CCS

According to the DCMS, in 2016, the CCS contribution to the overall economy reached GBP 119 billion in GVA, accounting for 6.8% of the UK's GVA. The CCS's GVA has increased by 40% over the period 2010-2016, representing a cumulative annual average growth of 5.8%.

Since 2010, the GVA of the creative industries has increased by 44.8%, reaching 5.3% of the UK GVA in 2016, whereas the cultural sector increased by 27% over the same period, reaching 1.5% of the UK GVA.

GVA contribution (in GBP billion) by DCMS sectors: 2010 - 2016

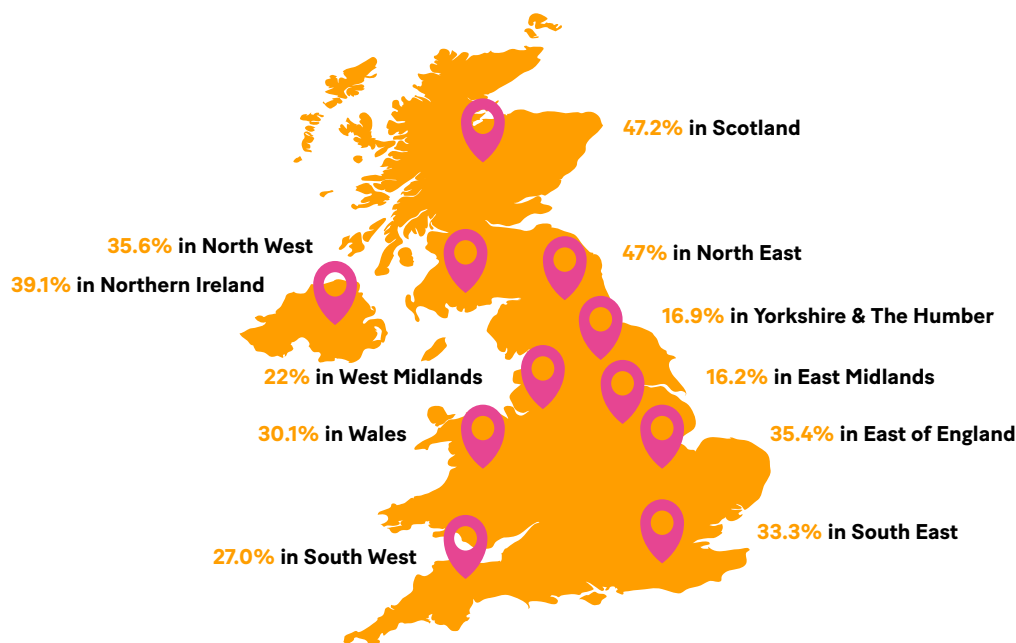
sector	2010	2011	2012	2013	2014	2015	2016	Change 2015-2016 %	Change 2010-2016%	% of UK GVA 2016
Creative industries	63.4	67.2	70.7	74.9	80	85.3	91.8	7.6	44.8	5.3
Cultural Sector	21.1	21.7	22.6	23.3	24.5	25.6	26.8	4.7	27.0	1.5
Digital Sector	94.5	99.6	101.7	106.8	108.4	110.2	116.5	5.7	23.3	6.7
Gambling	8.4	9.3	9.9	10	10.4	11.1	10.6	-4.5	26.2	0.6
Sport	7	7.4	7.9	7.5	7.8	8.6	9	4.7	28.6	0.5
Tourism	49.2	53.9	57.9	59	60.4	64.6	66.1	2.3	34.3	3.8

Source: DCMS Sectors Economic Estimates 2016: Gross Value-added Report.

The creative industries registered the greatest percentage increase between 2015 and 2016 (7.6%). The key driver for growth in creative industries' employment is the 'IT, software and services' sector with a 11.4% increase from 2015 and 2016, and a 52.8% increase since 2010. This sector contributed over a third (37.8%) of the creative industries GVA in 2016. The cultural sector increased by 4.4% between 2015 and 2016. Nearly three fifths (59.1%) of the cultural sector's GVA was coming from the film, TV and music sector, where GVA had increased by 5.5% between 2015 and 2016, and 23.9% since 2010.

Between 2010 and 2016, creative industries had grown in every region of the UK in terms of GVA. In particular, creative industries in the North East and Scotland grew by 47%.

Creative Industries Regional GVA growth from 2010-2016



Source: DCMS Sectors Economic Estimates 2016: Regional GVA

The Creative Economy includes all jobs in the creative industries, and all individuals working in creative occupations across all industries. The creative economy accounted for 3.12 million jobs in 2017. Since 2011, employment in all the creative industries has grown by 28.6%, except for publishing which has shed just over 9% of jobs.¹⁰⁹ This spur in employment between 2011 and 2017 represents half a million new jobs. This makes it the fastest growing sector in terms of employment of all the sectors overseen by the Department for Digital, Culture, Media and Sport between 2011 and 2017.

Government data shows that the creative industries workforce rose by 50,000 to over 2,008,000 in 2017. This corresponds to an increase of 2.5% compared to the average growth of 1.5% in jobs across the UK economy.

Within the creative industries, the fastest-growing job segments were linked to tech-related roles. Other areas that have seen an increased number of jobs include film, TV and music, crafts and architecture, though in the performing and visual arts, the number of jobs fell in 2017.

III. Main financing sources for the CCS

The main funding tool introduced in recent years by the UK Government is the creative industry tax relief.

It is part of a package of eight corporation tax reliefs that allow qualifying companies to claim a larger deduction, or in some circumstances claim a payable tax credit when calculating their taxable profits.

Effectively, these reliefs are granted by increasing the amount of allowable expenditure. To qualify for a creative industry tax relief, all films, television programmes, animations or video games must pass a cultural test or qualify through an internationally agreed co-production treaty, with the certification of being a British film, British programme or British video game. Theatrical productions, orchestral concerts, and exhibitions do not have to apply for or pass a cultural test. In 2015-16, 210 films made in the UK claimed foreign tax relief with UK expenditure of over GBP 1.0 billion.

¹⁰⁹ DCMS Sectors Economic Estimates 2017: Employment

Since the introduction of the creative industry tax relief, 1,800 films have filed tax claims, accounting for over GBP 8.0 billion of UK expenditure.

Ever since the video games tax relief was introduced in April 2014, there have been 135 claims for such tax reliefs, representing UK expenditure of GBP 417 million. In 2015-16, 65 claims were filed with that financial year of completion covering GBP 215 million of UK expenditure. In 2015-16, GBP 45 million was paid in response to 130 claims. The government's UK Games Fund, which helps video game companies grow by providing grants for the support of new projects and talent, has just been extended until 2020. The government has also recently announced the opening of a GBP 80 million Creative Industries Clusters Programme competition which will boost innovation in the sector by part-funding research partnerships between universities and the industry.

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