MARKET ANALYSIS OF THE CULTURAL AND CREATIVE SECTORS IN EUROPE

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EXECUTIVE SUMMARY

EXECUTIVE SUMMARY (1/4)

The CCS represent a significant contribution to the EU economy in terms of value added, employment and number of companies	At the EU level, the **CCS account for EUR 413 billion in terms of value added i.e. 5.5%.** In countries like Cyprus, the UK, Finland and Latvia the CCS contribute more than 7% to the national value added. Over the period 2013 to 2017, the **value added** produced by the CCS **has grown at a CAGR of 5.1%**. The **main driver is the Audio-Visual & Multimedia (AVM) subsector** which makes up 2.5% of the EU's overall figure. **Employment in the CCS** and the **number of CCS companies** have **grown strongly at an above 4.5% CAGR since 2013**. At the Member State level the **CCS employ, on average 6.2% of the workforce**, however, in countries like the Netherlands and Ireland this share exceeds 8%. CCS companies represent, on average across Members States, **12.1% of companies**. At the sub sectorial level, Performing Arts and AVM companies combined represent 6% of the number of EU companies. The **AVM subsector alone employs 1.9% of the EU workforce** and the **share of Performing Arts employment has increased to 1.3% of the EU workforce** as it has seen a growth rate of 7.1% CAGR between 2013 and 2017.	**10-18**
The CCS' economic importance and robustness of companies is comparable to the ICT* and A&F* sectors	The **economic importance of the CCS is similar to that of other sectors** such as the **Information and Communications Technology (ICT)** and **Accommodation and Food Services (A&F)** sectors. Furthermore, **important spill-over effects from the CCS** to these sectors exists such as **cultural tourism** and **digital services for music film and video games**. In terms of company robustness, the survival rates of CCS companies after 1, 3 and 5 years of existence are above average when compared to a benchmark of services companies in the short and long run.	**19-20**
Digitalisation, the experience economy, collaborative and creative hubs, legislative changes for rightsholders and an increased environmental awareness are shaping the CCS of tomorrow	1. The **digital uptake increases access to cultural content** and drives CCS growth as CCS content is increasingly consumed digitally through **the internet, social media or new forms such as podcasts**. In response to the shift towards digital consumption **advertisement is also moving away from traditional print media to the digital sphere**. 2. Thought leadership and new narratives to **promote ecological sustainability** through collective movements uniting artists to take a stand on climate change and ecological emergencies is growing in importance in the community. 3. **New forms of collaborations** (cooperative project development between small companies/freelancers) lead to innovative models such as **creative hubs and co-working spaces** that can generate **socio-economic development** notably in urban areas. 4. A **new regulatory framework** unlocks **new income generation opportunities** notably through **improved licensing of copyrighted content.** 5. The **CCS are an integral part of the experience economy and tourism** as **cultural tourism is estimated to account for up to 40% of European tourism**. Additionally, cultural institutions (museums and theatres) across Europe are experimenting with new digital services in response to the COVID-19 pandemic.	**21-43**

* ICT: Information and Communications Technology - A&F: Accommodation and Food services

EXECUTIVE SUMMARY (2/4)

The **Books & Press** subsector is increasingly moving to digital consumption models allowing publishers to develop new monetisation strategies	The **value added** of the Books & Press subsector **grew at a 1.3% CAGR** between 2013 and 2017 with the sector employing **1.6 million workers.** The sector **contributes, on average 1% to each EU Member State's economy** in terms of value added while the **average share of companies** within EU Member States amounts to **1.5%.** The subsectors is increasingly **moving from physical to digital:** new formats enriched with audio-visual content (podcasts, audio-books) are attracting consumers' attention. **Publishers have started developing new monetisation strategies** with new digital consumption and revenue models emerging. Additionally, **New neighbouring rights for press publishers** support publishers in claiming a share of the revenues generated by news platforms from traffic and advertisement.	**45-57**
The **AVM** subsector is the biggest in terms of value added and has seen strong growth notably in the video games segment. Overall subscription based business models are becoming the main AVM content access point	The **value added** of the AVM subsector **grew at a 7.2% CAGR** between 2013 and 2017 **reaching EUR 185 billion.** The subsector contributes, on average, 2.5% towards value added in each Member State of the EU. **Employment** in the EU AVM subsector **grew at a 6.5% CAGR between 2013 and 2017** reaching **more than 2.7 million** workers. Between 2013 and 2017 the **number of AVM companies** in the EU **increased by 161,486** reaching **638,000 in 2017.** The **subscription business model** is gradually **replacing the ownership model** and becoming the **main point of access for AV and music content.** Likewise, in the **mobile games** industry, **business models are constantly advancing** in order **to fully adapt to user preferences.** Furthermore, the sector is adopting more **sustainable solutions** and implementing **greener production** and **consumption practices.**	**58-72**
The **Visual Arts** subsector which represents on average 0.5% of a Member State's value added is shifting towards digital and more environmentally friendly business models	Visual Arts contributed **EUR 41.6 billion to the EU value added in 2017** representing **0.6 %** of the **overall value added by the EU economy**. The **workforce** of the Visual Arts subsector has **grown at a 3.9% CAGR** reaching **1.39 million workers in 2017** with **more than half a million Visual Arts companies** in the EU. **Digital sales of artworks** are on the rise as art galleries, auction houses and art fairs had to close down during the COVID-19 sanitary crisis. Additionally, **increased environmental awareness of consumers** is pushing the fashion industry towards rethinking established practices impacting the whole product lifecycle.	**73-82**

EXECUTIVE SUMMARY (3/4)

The **Performing Arts** subsector has seen the strongest growth in value added and employment. Digitalisation allows for new content production and consumption methods and revenue sources	The **value added** by the Performing Arts subsector has **grown at a 8.6% CAGR** between 2013 and 2017, the strongest among all CCS subsectors reaching **EUR 44.7 billion in 2017** and representing on **average** a **contribution of 0.6% towards each Member State's value added**. At a 9.4% CAGR, employment in Performing Arts has grown more than in any other CC subsector reaching 1.81 million workers in 2017 with a total of 814,530 companies (on average 3.2% of companies in each Member State). Advancements in **digital technologies are opening the doors for new ways of content production and distribution** making **creative content available to larger audiences**, as well as creating **more immersive experiences** which might attract non-traditional audiences. As a result, digital consumption of performing arts content generates **new revenue opportunities**.	**83-93**
The **Architecture** subsector has seen a 6% CAGR growth in terms of value added. The advent of new digital tools is transforming the project design and presentation process creating new opportunities	The **value added** by the EU's Architecture subsector has **grown at a 6% CAGR between 2013 and 2017** reaching **EUR 27.8 billion in 2017**. This represents, on average, **0.4% of each Members State's value added.** There are **more than 300,000 architecture companies** in the EU employing approximately **612,000 workers**. Furthermore, companies active in the Architecture subsector represent, on average, 1.1% of the total number of companies in each Member State. **New digital tools for architecture** such as **VR** are becoming an integral part not only of **project presentation** but also of the **design process**. **3D printing, automation and Artificial Intelligence create new opportunities for architectural design and prototyping**. Moreover, the subsector is increasingly considering new practices to reduce the negative environmental impact of buildings by considering more efficient and eco-friendly uses of materials, energy, and relations with the surrounding space.	**94-101**

EXECUTIVE SUMMARY (4/4)

The **Heritage, Archives and Libraries** subsector has seen growth in terms of employment and number of companies as the sector expands its digital offerings and contributes to territorial development and job creation in related sectors	The HAL subsector **employed 162,985 persons** working in **15,111 companies** in 2017 throughout the EU. For the period 2013 to 2017, both **number of employees** and **number of companies grew at a respective CAGR of 3.2% and 2.2%**. The employment share of the HAL subsector amounts, on average, to 0.1% out of total employment in the Member States where the highest share can be found in the Netherlands (0.4%) and the UK (0.2%). **Cultural heritage institutions are expanding** their **digital offering** to **enhance user experience and attract new audiences**. In this regard**, Access and reuse of digital content** can generate **additional revenue streams** for heritage institutions. Furthermore, beyond its cultural and social value, **cultural heritage drives territorial development and job creation** in a variety of economic sectors.	**102-104**
The **Other CCS activities** subsector has seen moderate growth in value added, employment and number of companies	The **value added** of the Other CCS activities subsector has **moderately grown at a 0.8% CAGR**, between 2013 and 2017 **reaching EUR 35 billion** in 2017. On average, this subsector contributes 0.5% towards a Member State's value added. Employment in the subsector also showed moderate growth (1.8% CAGR) between 2013 and 2017 with 0.8 million workers in 2017. The subsector accounted for 210,917 companies in 2017 which represent on average 0.8% of the total number of companies in each Member State.	**111-116**

CONTENT

INTRODUCTION

DEFINITION OF THE CCS AND SCOPE OF THE STUDY

SCOPE: THIS STUDY COVERS THE CULTURAL AND CREATIVE SECTORS (CCS) GROUPED IN 8 SUBSECTORS

Cultural and Creative Sectors (CCS)

“CCS means all cultural and creative sectors whose activities are based on cultural values and/or artistic and other creative expressions, whether those activities are market- or non-market-oriented, whatever the type of structure that carries them out, and irrespective of how that structure is financed. Those activities include the development, the creation, the production, the dissemination and the preservation of goods and services which embody cultural, artistic or other creative expressions, as well as related functions such as education or management. The cultural and creative sectors include inter alia architecture, archives, libraries and museums, artistic crafts, audio-visual (including film, television, video games and multimedia), tangible and intangible cultural heritage, design, festivals, music, literature, performing arts, publishing, radio and visual arts” (EIF)

BOOKS & PRESS

- Books’, newspapers’ and journals’ publishing activities, printing, binding and retail sales in specialised stores
- News agency activities
- Pre-press and pre-media services
- Translation and interpretation activities

ARCHITECTURE

- Architectural consulting activities (building design and drafting/planning, town and city planning and landscape architecture)

PERFORMING ARTS

- Artistic creation
- Operation of arts facilities
- Performing arts and its support activities, employment placement agencies

AUDIO-VISUAL & MULTIMEDIA

- Production, recording and distribution of motion picture, video and music
- Radio and TV broadcasting
- Publishing of computer/video games and computer programming activities

OTHER CULTURE & CREATIVE ACTIVITIES

- Wholesale of musical instruments
- Retail activities of auctioning houses
- Renting of jewellery, musical instruments, scenery and costumes
- Repair of books, musical instruments

HERITAGE, ARCHIVES LIBRARIES

- Library and archives activities
- Museums activities
- Operation of historical sites and buildings

VISUAL ARTS

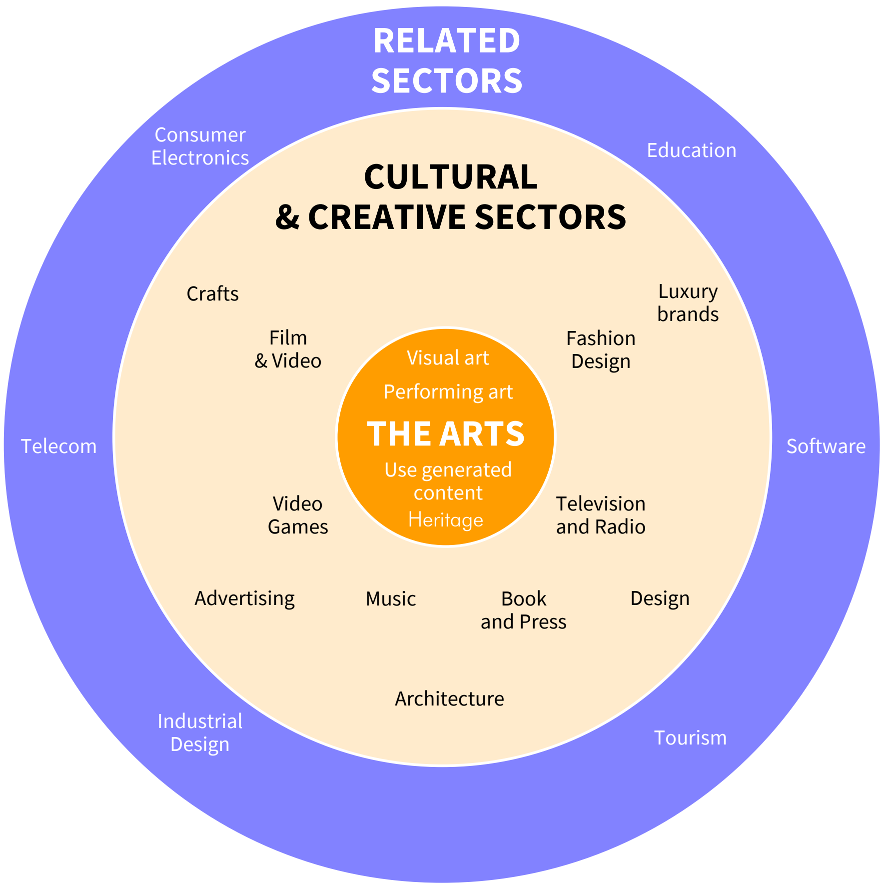
- Artistic creation, retail, printing and sale in specialised stores
- Photographic activities
- Specialised design activities

EDUCATION & MEMBERSHIPS

- Tertiary education
- Cultural education
- Activities of professional membership organisations
- Activities of other membership organisations

Note: the precise scope of each subsector (at NACE code level) can be found in the appendix of this study
*Due to a lack of available data the subsector “Education & Memberships” is excluded from the scope of this study

IMPORTANCE OF THE CCS FOR THE WIDER ECONOMY: THE ARTS ARE AT THE HEART OF THE CCS AND THEY FUEL CONTENT AND VALUE CREATION IN OTHER INDUSTRIES



The content creation process lies at the heart of the CCS i.e. the artistic process. Artistic content provides input for both the cultural as well as the creative subsectors of the CCS market.

Beyond the classical CCS subsectors, the artistic content created has an impact on a wide range of industries that depend on the creative output stemming from CCS. Chapter 1.2 of this report notably explores the links.

- **Software** and digital services are intertwined with many CCS value chains and rely on CCS content.
- **Telecom services** and hardware e.g. smartphones, computers where access to content is a key selling point.
- **Tourism** where the CCS (cultural heritage, historical sites, recreation parks) account for an important share of tourism.
- **Other** sectors closely related to the CCS include:
- **Consumer electronics** e.g. TV, Tuners, Tablets
- **Industrial design**
- **Education** e.g. cultural and tertiary education

CHAPTER 1
THE EUROPEAN CCS IN PERSPECTIVE

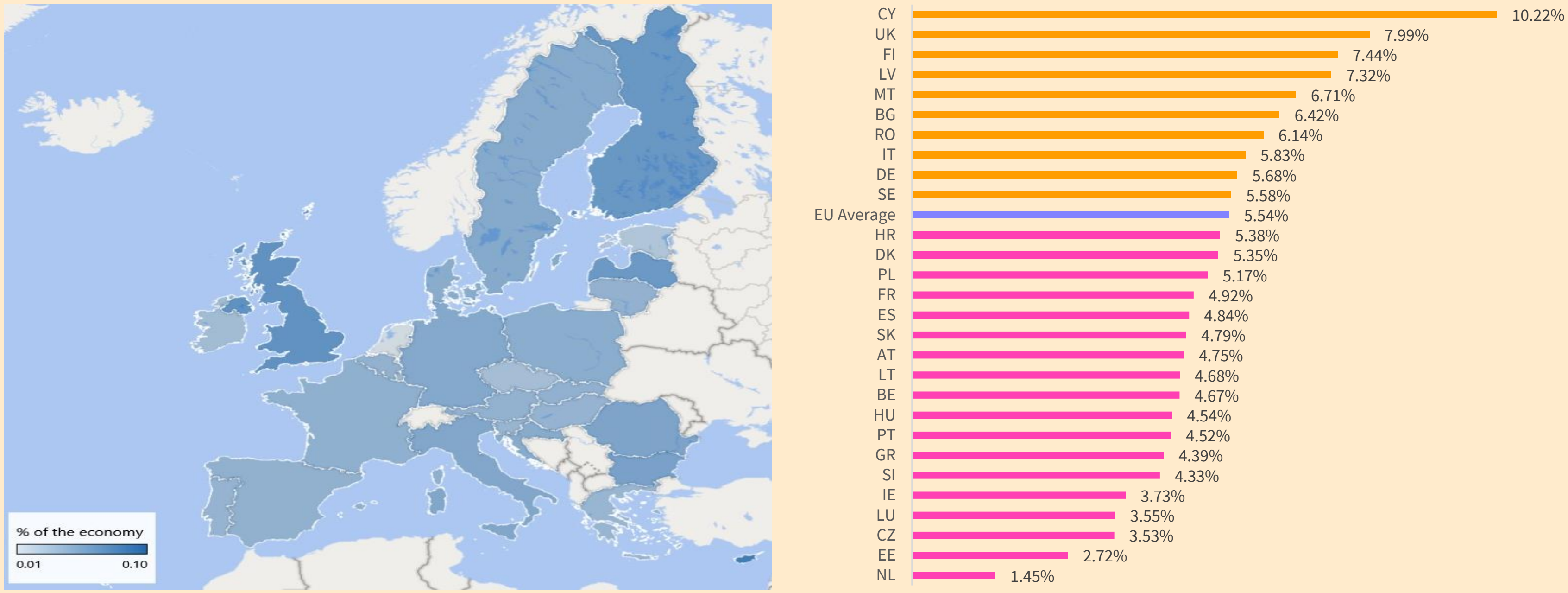
OVERVIEW

THE EUROPEAN CCS MARKET

KEY ECONOMIC DATA

AT THE EU LEVEL, THE CCS ACCOUNT FOR EUR 413 BILLION IN TERMS OF VALUE ADDED WHICH REPRESENTS, ON AVERAGE, 5.5% OF MEMBER STATE'S VALUE ADDED

Contribution of the CCS to the total value added of each Member State (2017*)



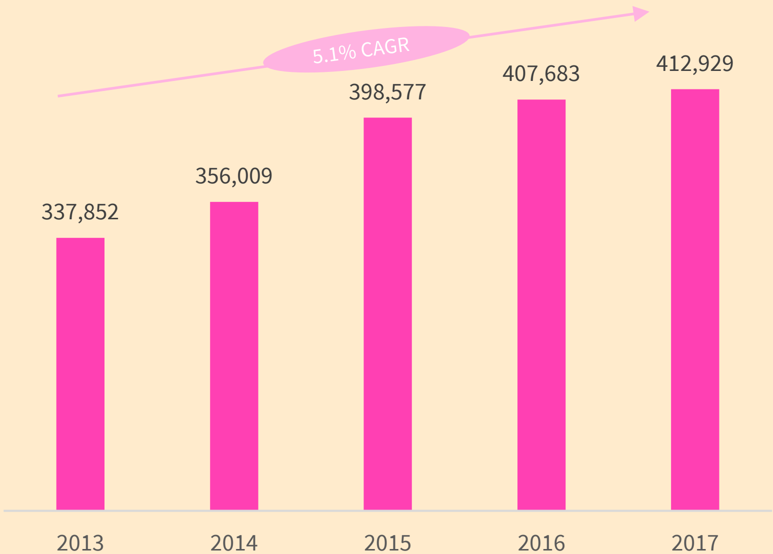
Key Observations

- With a value added of EUR 412,929 million (2017), the CCS represent 5.5% of the overall EU economy.
- At the EU level, and compared to all CC subsectors, the Audio-visual subsector is the biggest one accounting for 2.5% of the European economy.
- In relative terms, Cyprus is the Member State in which the CSS accounts for the largest contribution to the economy in terms of value added (10.2%). This can mainly be explained by audio visual activities which represent 7.6% of the Cypriot economy.

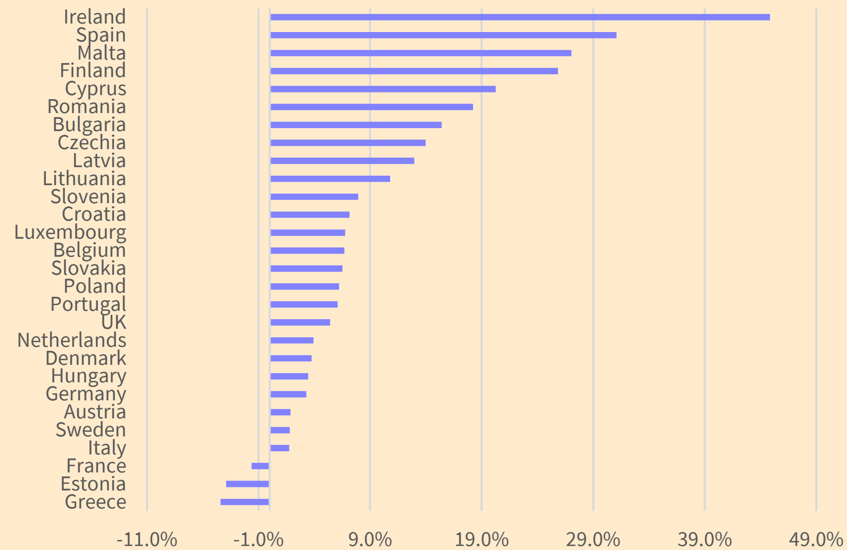
Note: *Data unavailability might affect the reported percentages. For instance, for the Netherlands (NL), Eurostat only provides value added data for 35% of the CCS activities. A complete data profiling can be found in the appendix of this report. NACE code B-N_S95_X_K ("Total business economy; repair of computers, personal and household goods; except financial and insurance activities") was used as the proxy for the overall economy (at national and EU level).

SINCE 2013, THE VALUE ADDED OF THE EUROPEAN CCS HAS GROWN AT A 5.1% CAGR

Evolution of CCS value added (EUR million)



CCS value added growth per country (CAGR 2013-2017*)



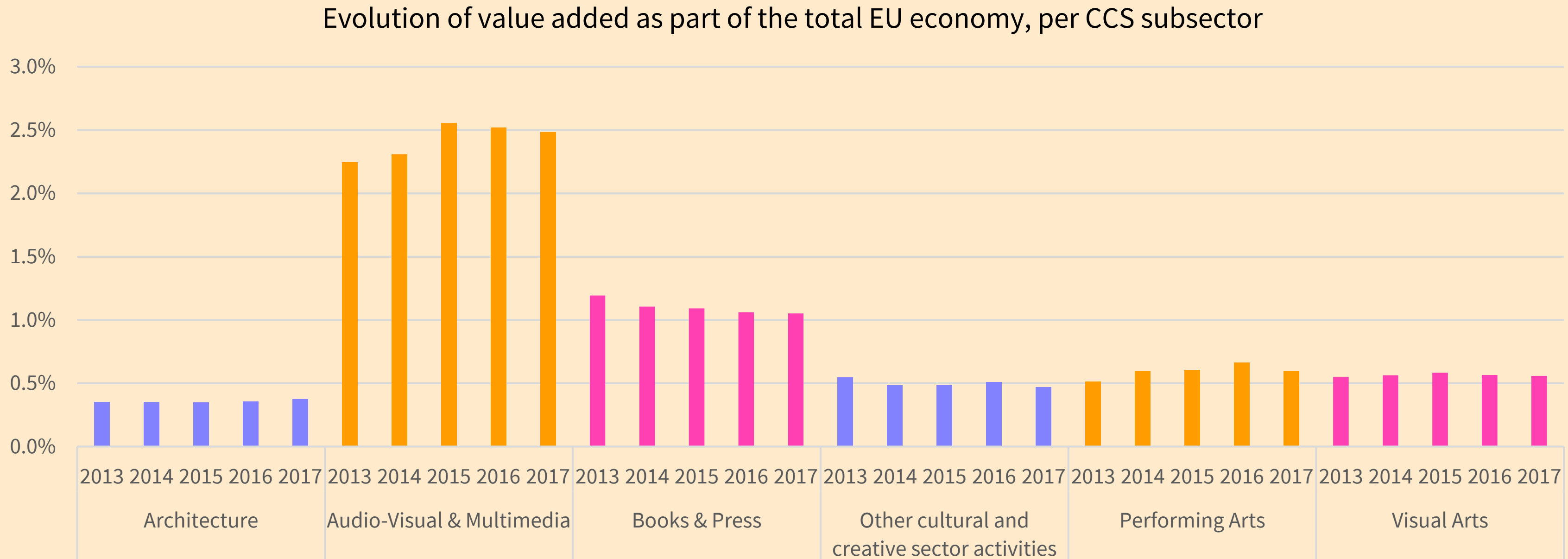
Key Observations

- From 2013 to 2017, the value added by the European CCS increased at a CAGR of 5.1%, growing from EUR 337,852 million to EUR 412,929 million
- In relative terms, the CCS' share of the European economy in terms of value added increased from 5.4% in 2013 to 5.5% in 2017

Key Observations

- Across Member States, the Irish CCS registered the highest growth rate. Between 2013 and 2017, with a growth of 44.8%. This growth was mainly led by Audio visual activities which jumped from EUR 440.5 million in 2013 to EUR 3,857.5 million in 2017. An explanation for this significant growth rate may be overhaul of the Irish tax incentive scheme which attracts large co-productions. It was followed by Performing Arts which increased their value added from EUR 233.5 million in 2013 to EUR 1,926.7 million in 2017

AUDIO-VISUAL & MULTIMEDIA (AVM) ACTIVITIES ALONE GENERATE 2.5% OF THE EU VALUE ADDED WHICH REPRESENTS ALMOST 48% OF THE OVERALL VALUE ADDED GENERATED BY THE CCS



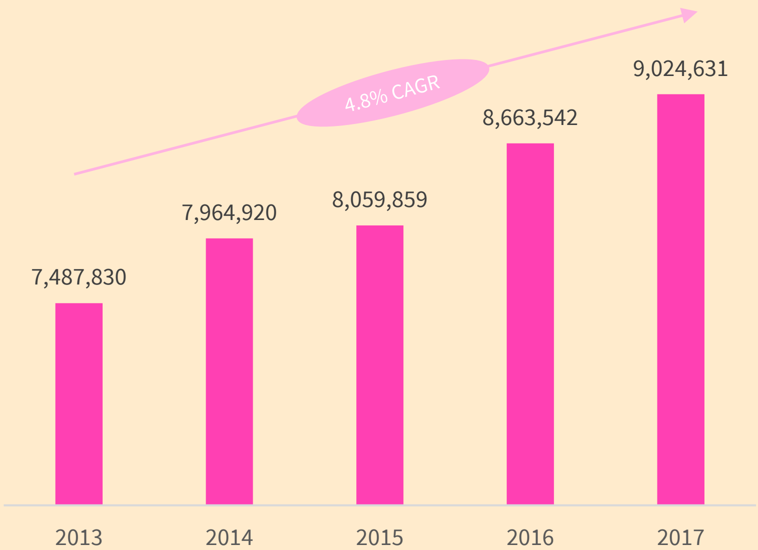
Key Observations

- Generating 2.5% (EUR 185,191 million, as of 2017) of the value added in the EU, Audio-Visual & Multimedia is the biggest subsector within the CCS. It is followed by Books & Press which generated EUR 78,422 million (1.1% of the EU value added)
- In terms of growth, between 2013 and 2017, the share of Performing Arts on the overall EU value added increased at the highest rate, at a CAGR of 3.9%. It was followed by Audio-Visual & Multimedia whose share on the overall EU value added grew at a CAGR of 2.6%, Architecture (1.4% CAGR) and Visual Arts (0.3%)
- Only Other cultural and creative sector activities (-3.6% CAGR) and Books and Press (-3.1% CAGR) registered a decrease in their share out of EU value added, meaning that the overall EU value added saw a stronger growth rate than the ones of these sectors.

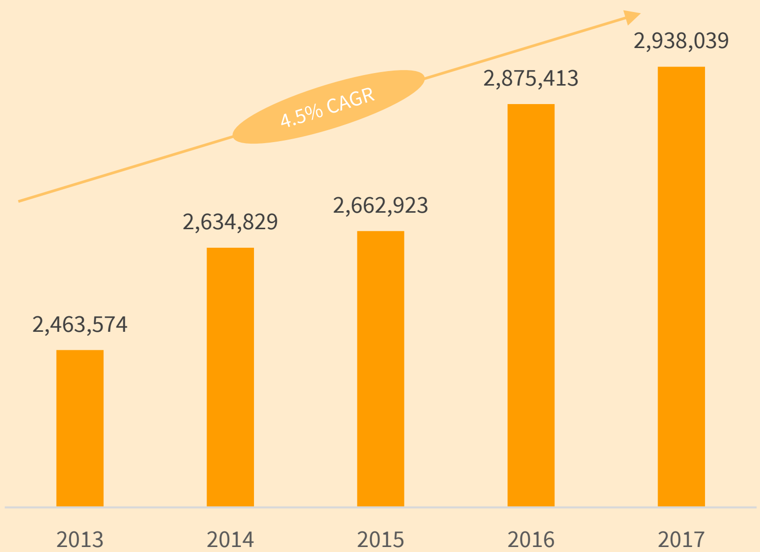
Source: Eurostat (figures based on NACE codes shown in Appendix) -
Note: Data not available for Heritage, Archives and Libraries. NACE code B-N_S95_X_K ("Total business economy; repair of computers, personal and household goods; except financial and insurance activities") was used as the proxy for the overall economy

EMPLOYMENT AND NUMBER OF COMPANIES IN THE CCS HAVE GROWN STRONGLY AT AN ABOVE 4.5% CAGR SINCE 2013

Persons employed in the CCS



Number of enterprises



Key Observations

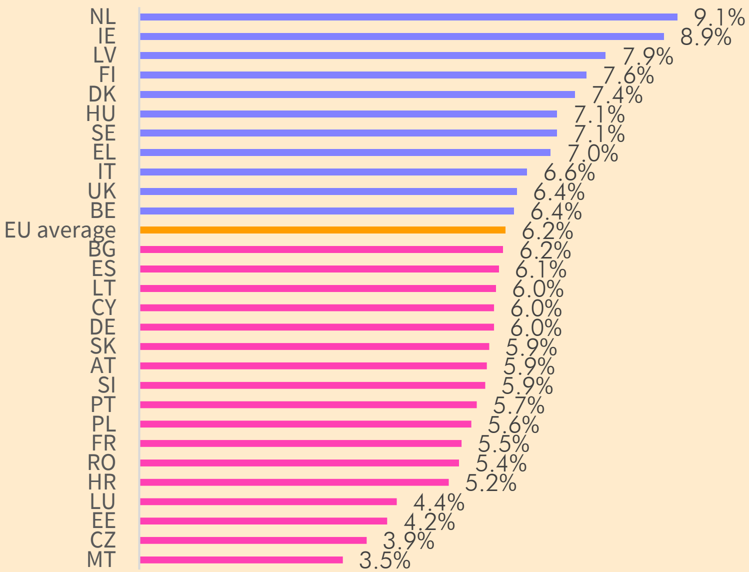
- From 2013 to 2017, the number of persons employed by the European CCS increased at a CAGR of 4.8%, growing from 7,487,830 to 9,024,631.
- In relative terms, the CCS share of the overall European workforce increased from 5.6% in 2013 to 6.2% in 2017.

Key Observations

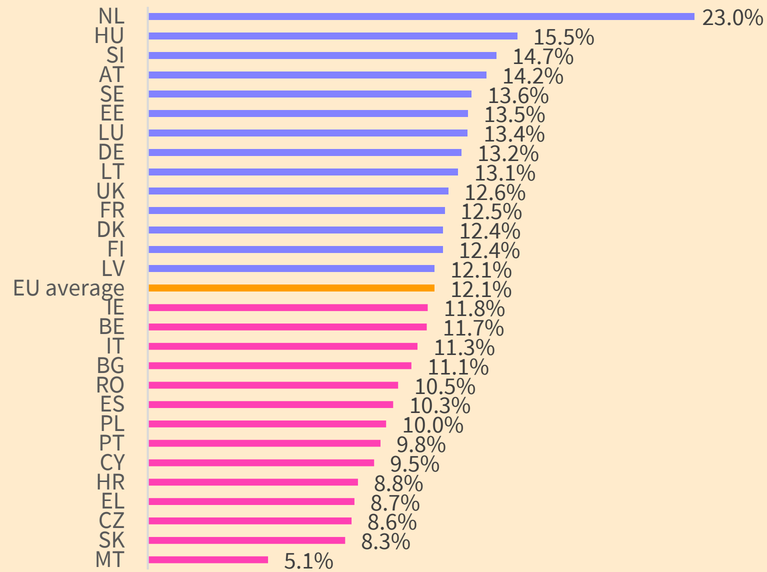
- The number of European CCS companies has grown at a 5 years CAGR of 4.5%, from 2,463,574 enterprises in 2013 to 2,938,039 in 2017.
- The share of CCS companies out of all European enterprises grew from 10.9%, in 2013, to 12.1% in 2017.

THE CCS EMPLOY, ON AVERAGE, 6.2% OF THE WORKFORCE AND REPRESENT 12.1% OF COMPANIES

CCS share of employment out of national employment (2017)



CCS share of number of companies out of all national companies (2017)



Key Observations

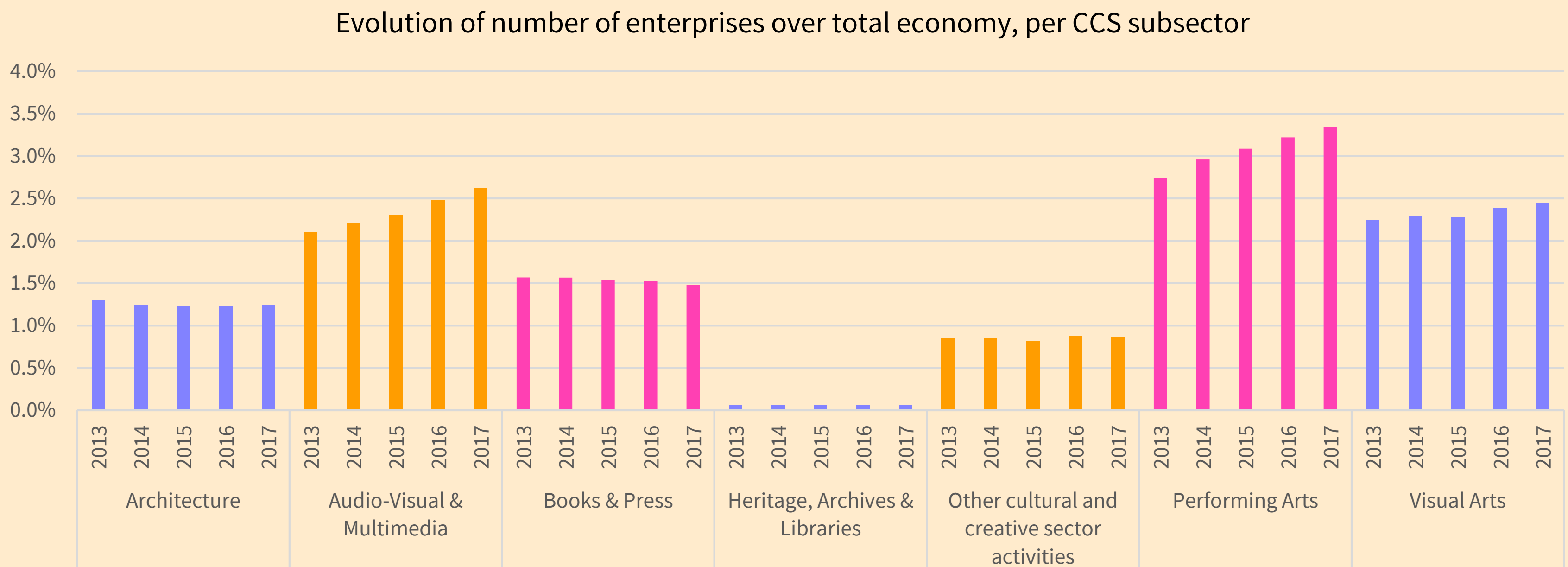
- Across Member States, CCS workers represent, on average 6.2% of national employment.
- Persons employed by CCS companies represent 9.1%, 8.9%, 7.9% of the workforce in the Netherlands, Ireland and Latvia, respectively. These can be explained by strong design, fashion, architecture and software/ICT activities in the Netherlands. For Ireland the film industry is a key driver.

Key Observations

- CCS enterprises represent, on average, across Member states, 12.1% of the total number of national companies.
- The share of CCS companies out of the total number of companies in Netherlands is the highest in the EU reaching 23%.

Source: Eurostat (figures based on NACE codes shown in Appendix)
NACE code B-N_S95_X_K ("Total business economy; repair of computers, personal and household goods; except financial and insurance activities") was used as the proxy for the overall economy

PERFORMING ARTS AND AVM COMPANIES COMBINED REPRESENT 5.6% OF THE NUMBER OF EU COMPANIES

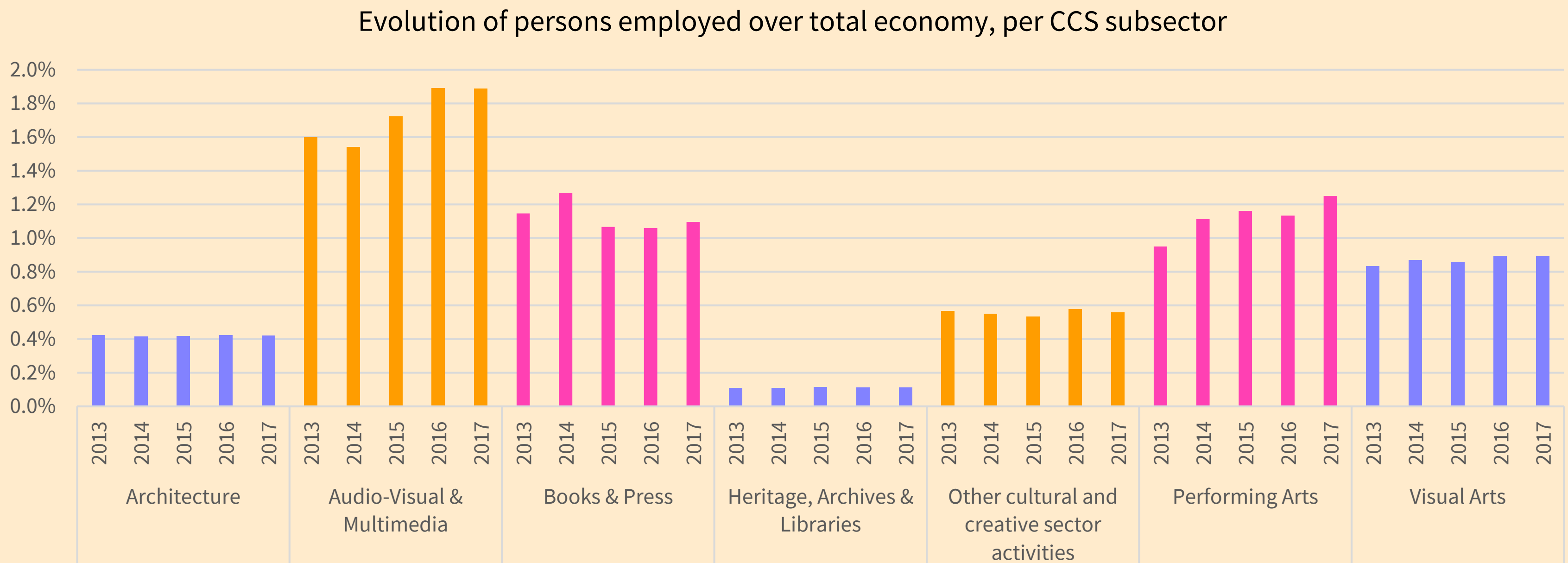


Key Observations

- As of 2017, Performing Arts was the CC subsector with the highest number of enterprises (814,530 companies), representing 3.3% of EU companies. It was followed by Audio-Visual & Multimedia (AVM) whose companies (637,924 enterprises) corresponded to 2.6% of European enterprises.
- AVM was the CCS subsector in which more enterprises where created. Between 2013 and 2017, the share of AVM companies over the total number of EU companies jumped from 2.1% to 2.6% (CAGR of 5.6%). It was followed by Performing Arts whose companies share out of total EU enterprises grew at a CAGR of 5% (from 2.8% to 3.3%).
- Only the share of Books & Press (1.4% CAGR) and Architecture (-1% CAGR) companies decreased, meaning that that the overall number of companies at EU level saw a stronger growth rate than the ones of these sectors.

Source: Eurostat (figures based on NACE codes shown in Appendix)
NACE code B-N_S95_X_K ("Total business economy; repair of computers, personal and household goods; except financial and insurance activities") was used as the proxy for the overall economy

WHILE THE AVM SUBSECTOR ALONE EMPLOYS 1.9% OF THE EU WORKFORCE, THE SHARE OF PERFORMING ARTS HAS INCREASED TO 1.3% AS IT HAS SEEN A GROWTH RATE OF 7.1% CAGR



Key Observations

- As of 2017, the Audio-Visual & Multimedia subsector alone employs 1.9% of the EU workforce. Employing 1.3% of the EU workforce, Performing Arts overtook Books & Press and became the second major CCS subsector in terms of employment
- In terms of growth, between 2013 and 2017, the share of Performing Arts out of overall EU employment increased at the highest rate, at a CAGR of 7.1%. It was followed by Audio-Visual & Multimedia whose share out of overall EU employment grew at a CAGR of 4.3%, Visual Arts (1.7%) and Heritage, Archives & Libraries (1%)
- The share of Books & Press, Other cultural and creative sector activities, and Architecture decreased at CAGRs of -1.1%, -0.4% and -0.1%, respectively, meaning that that overall employment at EU level saw a stronger growth rate than the ones of these sectors.

Source: Eurostat (figures based on NACE codes shown in Appendix)
NACE code B-N_S95_X_K ("Total business economy; repair of computers, personal and household goods; except financial and insurance activities") was used as the proxy for the overall economy

THE ECONOMIC IMPORTANCE OF THE CCS IS SIMILAR TO THAT OF OTHER SECTORS SUCH AS ICT AND ACCOMMODATION AND FOOD SERVICES WITH IMPORTANT SPILL-OVER EFFECTS

Key indicators (2017)	Accommodation and food services	CCS	Information and Communications Technology (ICT)
Value added, EUR million (share of overall EU economy)	277,552 (3.7%)	412,929 (5.5%)	470,223 (6.3%)
Employment, number of workers (share of overall EU economy)	12,487,965 (8.6%)	9,024,631 (6.2%)	5,565,168 (3.8%)
Number of companies (share of overall EU economy)	2,003,258 (8.2%)	2,938,039 (12,1%)	1,017,583 (4.2%)

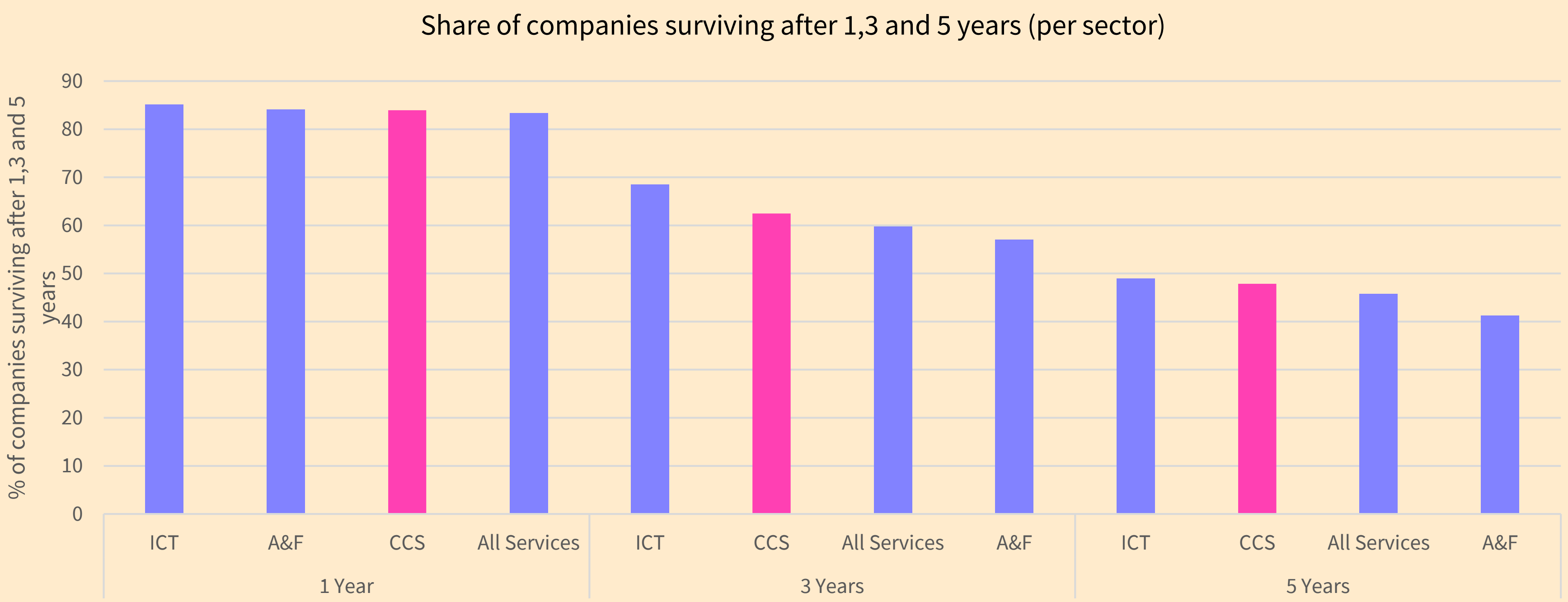
Share of the overall economy* calculated based on EU28 figures for 2017:
Value added: EUR 7,453,751 million / Employment: 145,229,381 / Number of companies: 24,378,356

Key Observations

- Looking at the macro-economic indicators, the CCS are comparable to other key economic sectors such as accommodation and food services (A&F), or the Information and Communications Technology (ICT) sector.
- Importantly, the CCS also generate significant spill-over effects in other sectors (further discussed in section 1.2) and generate additional economic value which is not captured in the above figures.
- For instance, the CCS generate important revenues linked to cultural tourism or festivals for the accommodation and food services. As for the ICT sector, the CCS are strongly interlinked with digital services, which represent a key component of the music and video game value chains, for instance.

Source: Eurostat (figures based on NACE codes shown in Appendix)
*NACE code B-N_S95_X_K ("Total business economy; repair of computers, personal and household goods; except financial and insurance activities") was used as the proxy for the overall economy

CCS COMPANIES' SURVIVAL RATES ARE ABOVE AVERAGE WHEN COMPARED TO A BENCHMARK OF SERVICES COMPANIES* IN THE SHORT AND LONG RUN



Key Observations

- CCS companies have a higher survival rate than the average (benchmark services category) after 1, 3 and 5 years of existence.
- While after 1 year of existence, the survival rates of CCS and Accommodation and Food services (A&F) are similar, the CCS perform significantly better after 3 and 5 years of existence compared to the A&F sector.

Note: *the benchmark refers to "Services of the business economy except activities of holding companies"(G-N_X_K642). Due to data unavailability on survival rate, the CCS figures derive from a smaller number of NACE codes (see methodological notes for more information)

THE EUROPEAN CCS MARKET

MAIN TRENDS

OVERVIEW: 5 KEY TRENDS ARE RESHAPING THE CCS - INSPIRING NEW BUSINESS MODELS AND CHANGING THEIR WAYS OF WORKING

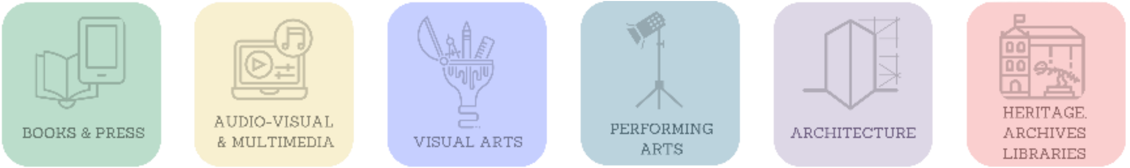
1	**The digital uptake increases access to cultural content and drives CCS growth**	• CCS content is increasingly consumed digitally through new access points and formats • Revenue generation is growing thanks to new digital products, services and business models
2	**Thought leadership to promote ecological sustainability**	• Environmental awareness and creative leadership drive greener business solutions and generate societal engagement
3	**New forms of collaborations lead to innovative socio-economic models**	• The CCS are spearheading new forms of work, with agile cooperation across smaller structures. New cooperative models help the CCS to address structural fragmentation and support cross-sectorial collaborations
4	**A new regulatory framework unlocks new income generation opportunities**	• A revised EU regulatory framework contributes to the creation of a level playing field in the digital market and helps to unlock new revenue sources
5	**The CCS are an integral part of the experience economy and tourism**	• Culture is one of the main purposes for touristic trips in Europe • Following travel restrictions, cultural organisations are experimenting with new ways to engage with visitors and find new monetisation pathways

1. THE DIGITAL UPTAKE INCREASES ACCESS TO CULTURAL CONTENT AND DRIVES CCS GROWTH

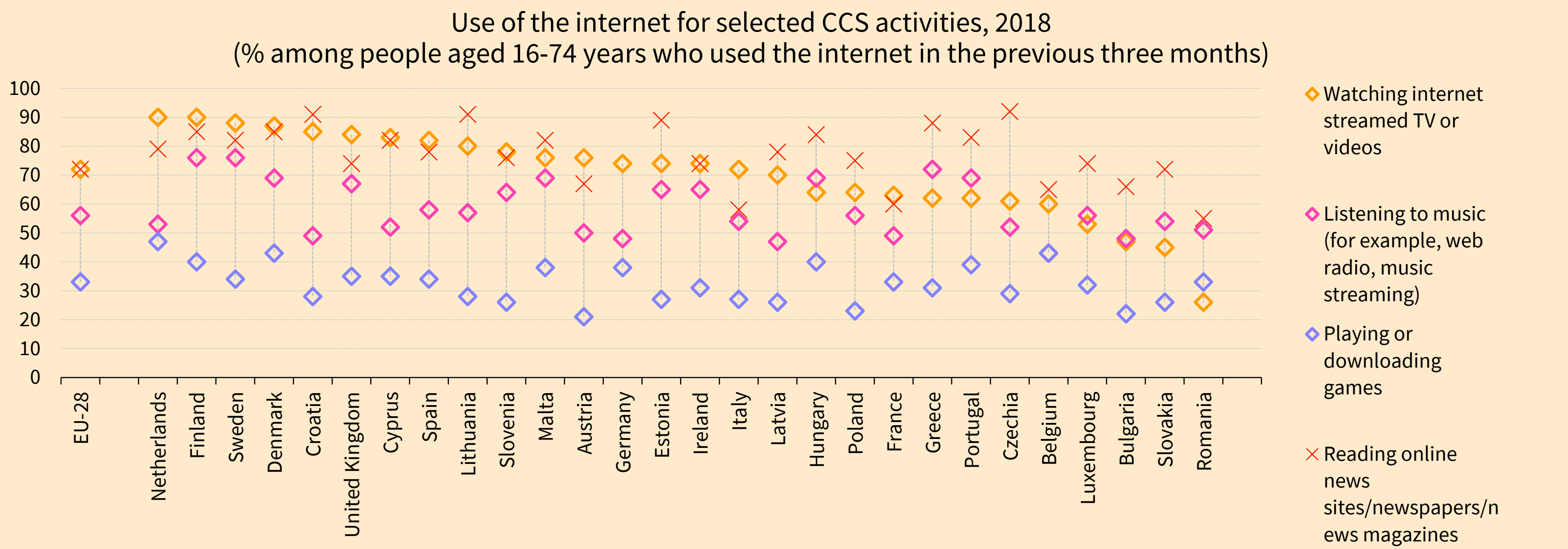
What's in this section?

1. CCS content is increasingly consumed digitally: the diversification of access points (e.g. internet, social media, mobile apps) and formats (e.g. podcasts) has gradually influenced consumer behaviour and widened opportunities to consume cultural content, especially by the younger population.
2. Digital advertising is on the rise: as consumer behaviour has moved towards digital channels, advertisement spending has adjusted in response, shifting away from print to digital advertising.
3. New digital services and products: the decrease of unit costs and the multiplication of revenue windows have unlocked additional revenue generation opportunities for most of the CCS, notably in the Books & Press and AV subsectors, and new business models are emerging.

Subsectors mainly impacted by this trend:



1.1 CCS CONTENT IS INCREASINGLY CONSUMED DIGITALLY: WIDER ACCESS TO CULTURAL CONTENT, ESPECIALLY BY THE YOUNGER POPULATION



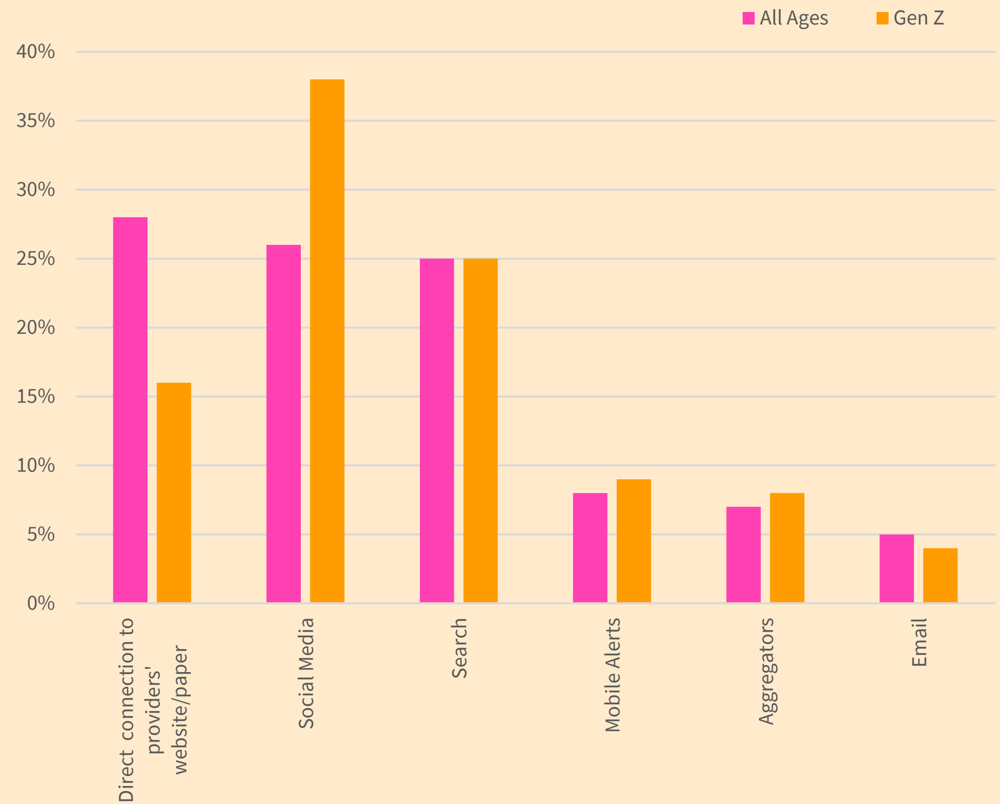
Key Observations

- Europeans are increasingly making use of the internet to broaden their access to and participation in cultural content and activities besides traditional channels (e.g. TV, radio, newspapers), especially in the audiovisual and media sector.
- The digital uptake is boosted by increased internet access: in 2018, some 89% of households in the EU-28 had internet access (regardless of the type of connection); this share had increased by 10% when compared with 2013.
- The lockdown imposed due to the COVID-19 pandemic has further boosted digital consumption of cultural content. For instance, there was an average 36% increase in subscriptions to Netflix each month between March and July 2020. Spotify users increased by a monthly average of 22% during the same period.*
- The internet has become a significant channel for accessing and consuming cultural content especially by the younger population. Notably, among internet users, 90% of young people consume music online against only 54% of those with an age of 55-74 years.

Source: Eurostat Cultural Statistics 2019; *The Times (20 September 2020) *Large rise in people buying subscriptions for streaming services during lockdown*

1.1 CCS CONTENT IS INCREASINGLY CONSUMED DIGITALLY: SOCIAL MEDIA ARE NOW ONE OF THE MAIN ACCESS POINTS FOR ONLINE NEWS CONSUMPTION AMONG YOUNGER GENERATIONS

Main gateways to news (on a weekly basis) per age group – all markets (2020)



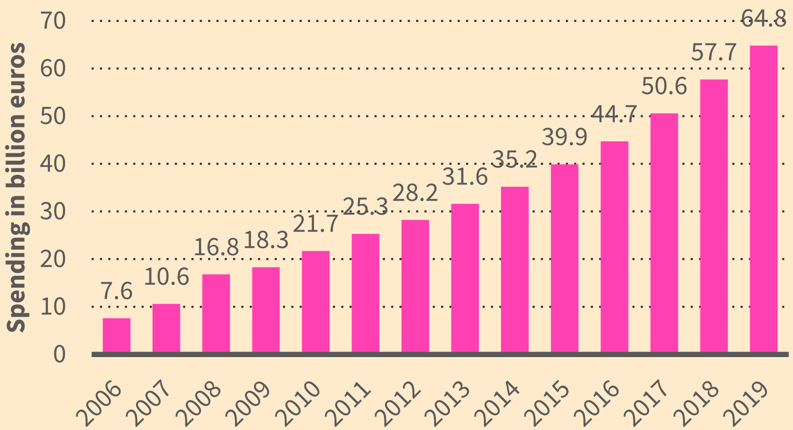
Sources: Reuters Institute, Digital News Report 2020

Key Observations

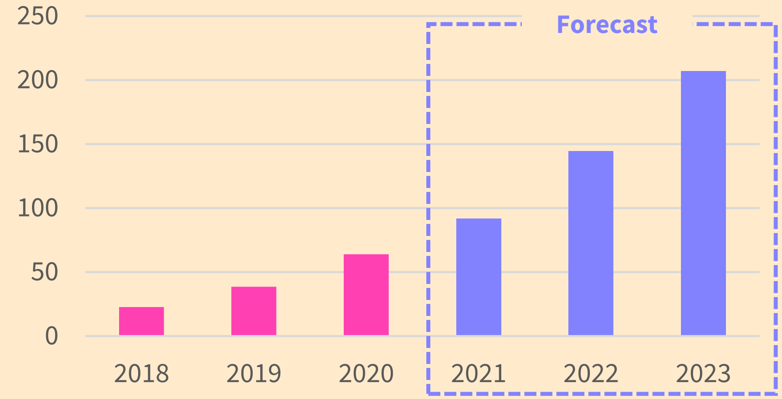
- The use of social media to access news has become more distributed worldwide. According to the Reuters 2020 Digital News Report, nearly 65% of the 2.4 billion internet users receive news from Facebook, Twitter, YouTube, Snapchat and Instagram instead of traditional news outlets.
- The younger population is most intensely using social media to access news. Age group 18–24s (the so-called "Generation Z"), has a weaker direct connection with news brands (16%) and is almost twice as likely to prefer to access news via social media (38%).
- The popularity of video news is also increasing at the expenses of written news. The German public broadcaster ARD has recently made vertical video (mobile-friendly) a central feature of its news app.

1.2 DIGITAL ADVERTISING IS ON THE RISE: OPPORTUNITIES FOR NEW FORMATS AND SERVICES WITHIN THE CCS

Online advertising spending in Europe
2006-2019 (EUR billion)



Million Euros spent in podcast advertising
in Europe (2018-2023)



Key Observations

- As consumer behaviour has shifted towards digital channels, advertising spend has adjusted in response, shifting away from traditional advertising (e.g. print advertising). In some cases, this trend has been exacerbated during the lockdown imposed by the COVID-19 pandemic. While some publications report growth in digital subscriptions, some publishers say advertising revenue has fallen by up to 50%.*
- Video ad spend is expected to grow from EUR 4.390,97 million in 2020 to EUR 5.619,12 million in 2025 (almost 28% growth).
- Social media ad spend is expected to grow even more, from EUR 15.168,38 million in 2020 to EUR 21.145,94 million in 2025 (39.4% growth).

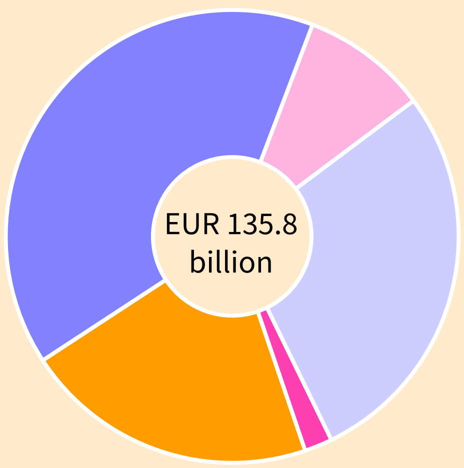
Key Observations

- New formats such as podcasts could offer CCS opportunities to attract advertisers' attention as ways to capture and engage with consumers opening up opportunities for advertising-driven models.

Source: Statista Note: Europe; 2006 to 2019 Further information regarding this statistic can be found on page 39. Source(s): IHS; IAB Europe; ID 307005; *Reuters Institute, Digital News Report 2020

1.3 NEW DIGITAL SERVICES AND PRODUCTS: MOBILE GAMING IS THE FASTEST GROWING SEGMENT IN THE VIDEO GAMES MARKET

Global Games Market per segment (2020)



Key Observations

- Mobile gaming (including both smartphone and tablet) remains the largest segment in 2020, with global revenues of USD 77.2 billion and growing +13.3% year on year, including Europe.
- On PC, browser game revenues are likely to decrease as more gamers convert to mobile gaming.
- The switch to mobile is expected to grow further as 5G networks will continue to roll out in cities around the world, enabling faster and more reliable smartphone connectivity, making it easier to access multimedia content on the go.
- The rise of e-sports and interactive gaming is one of the leading drivers behind video games growth, especially as people could not consume and attend live sport events during the lockdowns imposed by the COVID-19 pandemic.

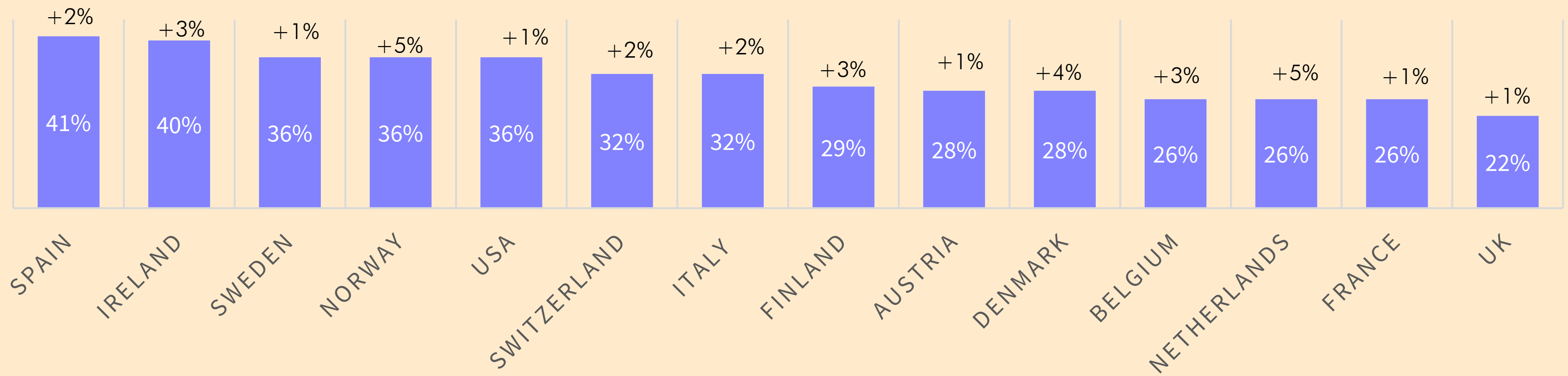
Definitions of the different types of video games in the VG market:

- Console games: video games developed for a proprietary system (Playstation, XBOX and Switch). The catalogue is mostly composed of AAA games (produced and distributed by a mid-sized or major publisher, typically having higher development and marketing budgets).
- Downloaded/Boxed Pc Games: includes AAA games but also games from independent developers (large independent games). Browser PC games are played directly online (no software required)
- Mobile games (smartphone and tablets): Casual and hyper-casual games have emerged through mobile gaming. They are typically played via an application/over the phone. Revenues mainly come from advertising and in-game purchases.

Source: Newzoo, 2020 Global Games Market Report

1.3 NEW DIGITAL SERVICES AND PRODUCTS: PODCASTS ARE BECOMING INCREASINGLY POPULAR TO LISTEN TO RADIO PROGRAMMES, MUSIC AND NEWS

Proportion of the population that used a podcast in the last month – selected countries (2020)*



Key Observations

- The share of Europeans listening to podcast on a monthly basis has increased in 2020. According to a survey from Reuters (Digital News Report 2020), 31% of respondents accessed podcasts monthly (29% in 2019). Almost four in ten access monthly in Spain (41%), Ireland (40%), Sweden (36%), Norway (36%).
- Podcasts are predicted to become an increasingly competitive market, competing with incumbent radio stations and pure music service players. The increased penetration of mobile devices and faster internet connections are encouraging the growth of shorter video content as well as audio content like podcasts.
- In the music sector, the audience for radio and original audio programmes (native podcasts) skyrocketed. The music streaming service Spotify experienced a 50% growth of its podcast audience in 2019, becoming the number one destination for podcasts in a number of markets and overtaking Apple's podcast app. According to recent figures, 21% of Spotify's 299 million monthly active users now use it for podcasts.
- In the news media industry, the proportion using podcasts has grown significantly in 2019 (although this trend has been temporarily reversed by the coronavirus lockdowns. In some cases, podcast listening reportedly fell by up to 20% , underlining the link between podcast consumption and commuting).

Source: Reuters Institute, Digital News Report 2020; EAO yearbook key trends 2019-2020
* The percentages show the evolution of use of podcasts compared to the previous year i.e. 2019

1.3 NEW DIGITAL SERVICES AND PRODUCTS: REVENUE GENERATION IS GROWING AROUND NEW BUSINESS MODELS

As the price per unit has gone down significantly in the digital market, the CCS are increasingly exploiting new business models based on high levels of re-playability, especially in some subsectors (news media, AVM). The multiplication of revenue windows (the so called ATAWAD - Any Time, Any Where, Any Device – trend) is also playing a role in increasing monetisation opportunities, especially for sectors which are not yet relying on digital revenues. Below some examples of established and emerging digital business models:

Business model	Short description
Digital subscriptions	Digital subscriptions are considered as a steady stream of revenue because they generally require a medium term or long term commitment from subscribers. According to the subscription pricing model, subscriptions can include premium content or archive access. Some publishers are also introducing subscriber-only podcasts. Subscription models are widely used in the AVM subsector (e.g. Spotify, Netflix) but are increasingly seen in other subsectors as well, such as news (e.g. paywalls) and magazines, especially on the iPad and other tablets. Some subscription models to heritage or performing arts have also been developed on an experimental basis, especially during the lockdown period, as an attempt to identify new sources of revenues.
Pay per download	This model remunerates content providers based on the number of unique downloads of their content, such as films and music.
Freemium	This model allows users to utilise basic features of a service and then charges for "upgrades" to the basic package. The free tier often uses embedded ads and thus generate revenues even at entry level.
In-app purchases	The model is particularly used in the gaming sector. Players are encouraged to make micro transactions paying for premium content to access game items or shortcuts to gain an advantage.

THE CCS ARE DEVELOPING THOUGHT LEADERSHIP TO PROMOTE ECOLOGICAL SUSTAINABILITY

1	The digital uptake increases access to cultural content and drives CCS growth
2	**Thought leadership to promote ecological sustainability**
3	New forms of collaborations lead to innovative socio-economic models
4	A new regulatory framework unlocks new income generation opportunities
5	The CCS are an integral part of the experience economy and tourism

What's in this section?

1. CCS are in a leading position to increase environmental consciousness: as influential actors in society, CCS can play a prominent role in encouraging individual and societal changes toward more sustainable consumption choices. A number of collective movements are emerging to engage artists and creators to take a stand on climate change and ecological emergencies.
2. CCS are adopting sustainable practices to green the value chain: as increased environmental awareness is influencing consumer behavior, CCS are rethinking ways cultural products and services are produced and consumed by adopting more sustainable practices and using recycled materials.

Subsectors mainly impacted by this trend:

2.1 THE CCS ARE IN A LEADING POSITION TO INCREASE ENVIRONMENTAL CONSCIOUSNESS

- The CCS in a leading position to increase individual and collective environmental sensitivity: thanks to their ability to think creatively and in a user-centred way, the CCS are well positioned to support society and other sectors in their ecological transition.

Lorenzo Quinn’s “Support” sculpture in Venice, Italy, unveiled at the 57th International Art Exhibition of the Venice Biennale, represents a giant pair of hands reaching out of the Grand Canal and appearing to support the walls of the historic Ca’Segredo Hotel. This piece reminds visitors and citizens of the city’s fragile situation due to climate change and raising waters

- A number of collective movements are emerging to engage artists and creators to take a stand on climate change, loss of biodiversity and ecological emergency.

The ‘Music Declares Emergency’ movement is a group of artists, music industry professionals and organisations calling for an immediate governmental response to protect all life on Earth.

Source: KEA (2019) Culture and creative sectors in the European Union – Key future developments, challenges and opportunities

2.2 THE CCS ARE ADOPTING SUSTAINABLE SOLUTIONS TO GREEN THEIR VALUE CHAINS

Adoption of sustainable solutions across CCS activities: as environmental awareness and sensitivity have increasingly influenced consumer behaviour in recent years, the CCS are experimenting with new environmentally-friendly practices while encouraging consumption habits with lower environmental impacts. The large majority of Europeans think that the most effective way to tackle environmental problems is to "change the way we consume" and "we produce and trade" (Eurobarometer 501).

Examples of solutions adopted across the CCS:

- Use of eco-friendly and/or recycled materials in production practices
- Substitution of disposable plastic bottles/containers with eco-friendly solutions to reduce waste (e.g. festivals, cultural events)
- Reduction of energy used to store and stream digital media
- Reconfiguration of mobility practices of artists and performers to reduce Co2 emission and carbon footprint in touring and audience travel
- Improvement of energy efficiency (e.g. use of LED lighting system) in cultural spaces, venues, museums and galleries
- Increased attention to carbon emitted during construction, maintenance and re-use of historic buildings
- Uptake of new business models in the fashion industry to extend the longevity of clothes, such as smart fashion or fashion as a service (please refer to page 84 for more detailed information).
- Development of "green certifications" to recognise environmental best practice in the CCS (e.g. Creative Green Framework developed by Julie's Bicycle, UK)
- Implementation of specific tools to monitor and reduce CCS environmental impacts (e.g. the "Creative Green Tools" developed by Julie's Bicycle to understand the carbon footprint of cultural buildings, offices, outdoor events, tours and productions. The tools are used by over 2,000 organisations across 43 different countries)

Source: EUROBAROMETER 501

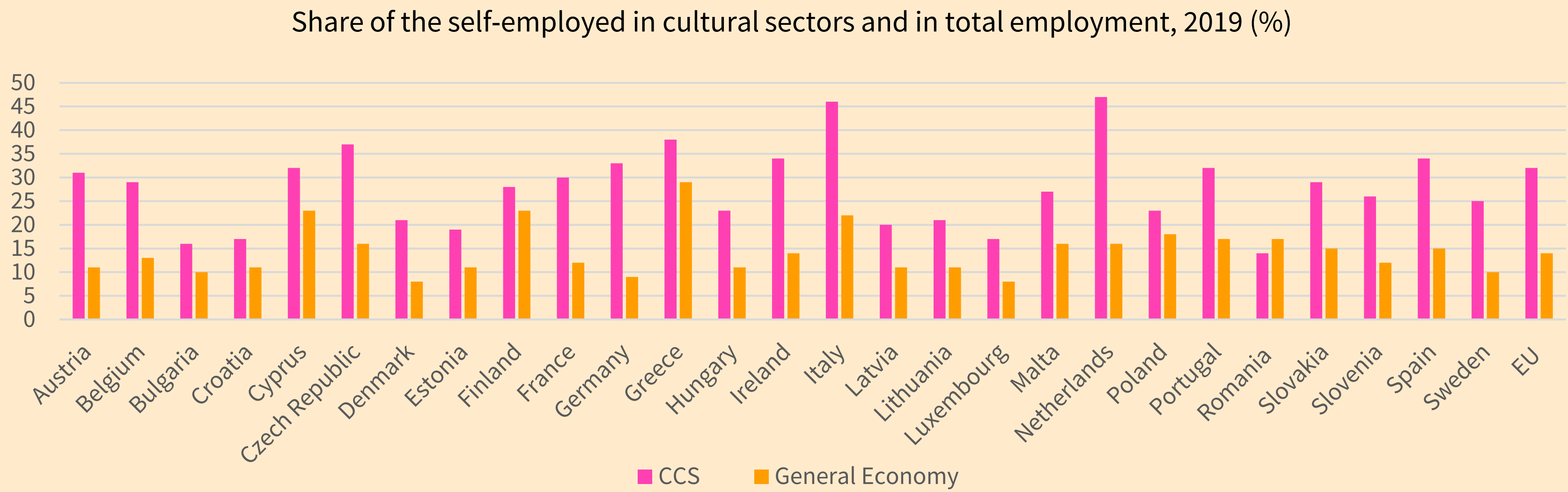
NEW FORMS OF COLLABORATIONS LEAD TO INNOVATIVE SOCIO-ECONOMIC MODELS

What's in this section?

1. The reconfiguration of working methods leads to new cooperation models. The high number of freelancers across the CCS work in very agile and cooperative ways which calls for collaborative spaces.
2. The model of creative hubs and co-working spaces is increasingly being adopted by the CCS as supporting environments to reinforce cross-sectorial collaboration and enhance peer-learning and business opportunities.
3. Creative spaces contribute to urban regeneration and spark growth in the local economy. Large-scale urban regeneration initiatives through culture have breathed new life into entire districts and delivered significant social and economic impacts.

Subsectors mainly impacted by this trend:

3.1 CCS EMPLOY A HIGHER NUMBER OF FREELANCERS THAN OTHER ECONOMIC SECTORS, WHICH LEADS TO NEW COOPERATION MODELS



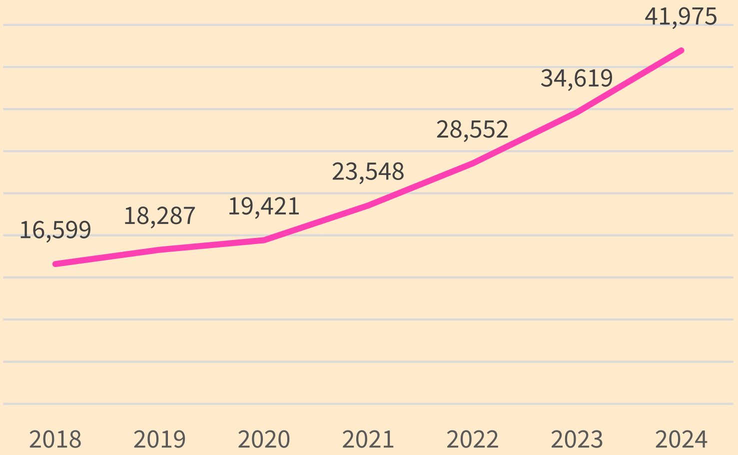
Key Observations

- In the EU27, on average 32% of CCS workers are self-employed compared to 14% in the overall economy. The percentage of self-employed workers is even higher in the case of artists and writers (44%). In some countries such as the Netherlands, Italy, the Czech Republic and Germany, the percentage is higher than 50%.
- This trend relies upon the high degree of project-based assignments in the CCS, often developed at the same time. Freelancers and micro-companies operate in a very agile way in the CCS, often working across different CCS value chains and operating in different subsectors. This operating model is conducive to the development of community-driven structures and spaces which foster collaboration, such as creative hubs or cooperatives.
- European creative industry players, very often freelancers or SMEs, increasingly take benefit from these structures to pool resources and knowledge during the creation and production process. Hubs are cross-sectorial by nature and allow for collaborations between the AV industry, video games as well as on music, dance, theatre, visual arts and their digital applications.

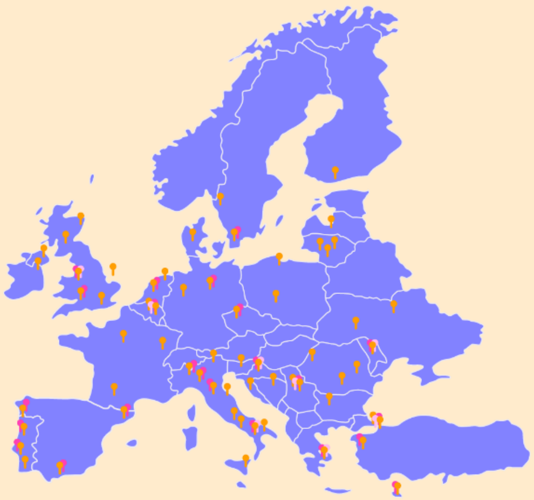
Source: EUROSTAT

3.2 THE MODEL OF CREATIVE SPACES ALLOW FOR NEW FORMS OF COOPERATION AND SHARED SERVICES

Number of coworking spaces worldwide
(all sectors*; 2018-2024)



Creative Hubs are opening across Europe



Key Observations

- According to projections, the model of creative hubs and co-working spaces is fast expanding worldwide (and expected to grow further). Co-working spaces and creative hubs allow for several companies and professionals to share a space and benefit from lower rent, pool basic admin, financial and accounting services, increase cross-sectorial collaborations and innovation capacity. At the same time, the CCS benefit heavily from shared spaces at affordable costs for exhibition or larger projects. Most importantly, the communities they gather generate networking effects and additional cooperation on both commercial and social impact projects.
- Through creative hubs and co-working spaces, CCS get access to a variety of services such as capacity building initiatives, internationalisation opportunities, funding and cross-over collaborations with areas such as architecture, technology, health or other applications.

Sources: STATISTA; European Network of Creative Hubs
* “all sectors” includes the CCS and other activities

3.3 CREATIVE SPACES CONTRIBUTE TO URBAN REGENERATION AND SPARK GROWTH IN THE LOCAL ECONOMY

- Regions and cities across Europe increasingly regard the creation and development of creative hubs as an effective measure to support CCS growth and competitiveness while attracting human capital and investment locally.
- At the same time, a number of grassroot initiatives are emerging to convert abandoned buildings across Europe into vibrant centres for arts and culture (e.g. Trans Europe Halles network).

Examples	Short description
Strijp-S, Eindhoven (The Netherlands)	Strijp-S is one of the biggest CCS hubs in Europe: located in the old Philips Device Factory, it offers 20,000 square feet of commercial and working space and hosts over 100 entrepreneurs from creative industries. Additionally, other Philips buildings have been transformed into lofts, leisure facilities (skate park, festival event spaces), restaurants and retail shops. Strijp-S highly contributed to spark growth in the city of Eindhoven and stimulate a major source of income for the local economy, The Dutch Design Week, hosted in the premises of Strijp-S, is estimated to attract around 350,000 visitors.
Barcelona Art Factories (Spain)	Initiated in 2007 as a programme to transform nine obsolete industrial sites into public venues that drive culture and innovation, this dynamic network of municipally-owned facilities is adding a growing number of heretofore unused spaces for cultural purposes. It now comprises over 30,000 square meters for artistic and cultural creation and production.
BASE Milano (Italy)	Located within the ex-Ansaldo complex (12,000m2 space), one of the most important urban regeneration projects in Europe, BASE is breathing new life into a monument of industrial architecture, dedicated to exhibitions, performances, workshops and conferences, with a large studio and artists' residence.

AN UPDATED REGULATORY FRAMEWORK UNLOCKS NEW INCOME GENERATION OPPORTUNITIES

1	The digital uptake increases access to cultural content and drives CCS growth
2	Thought leadership to promote ecological sustainability
3	New forms of collaborations lead to innovative socio-economic models
4	**A new regulatory framework unlocks new income generation opportunities**
5	The CCS are an integral part of the experience economy and tourism

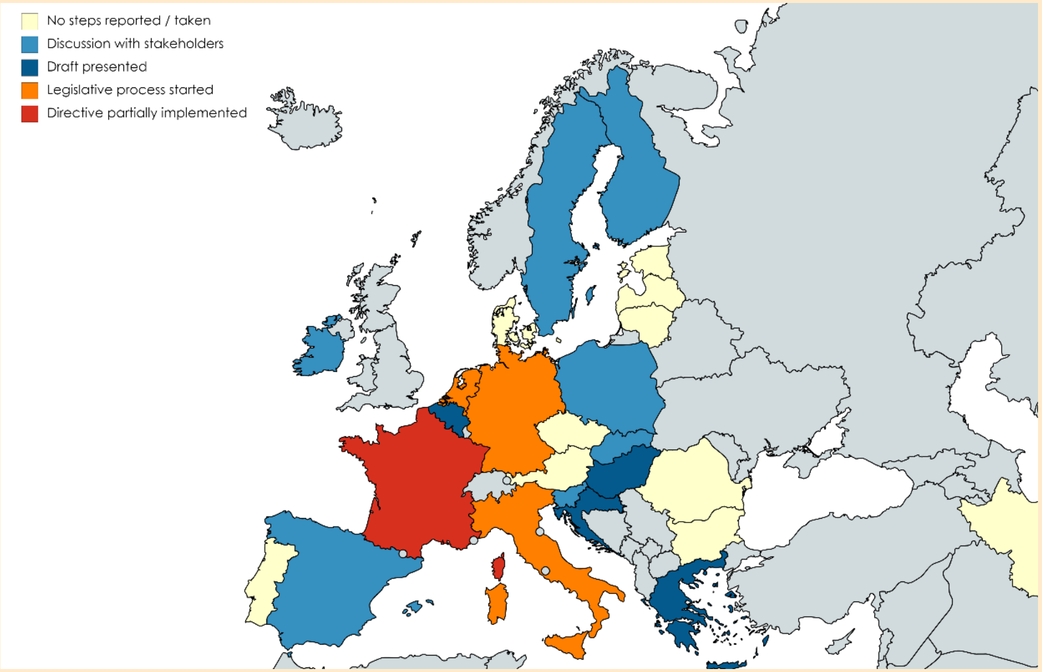
What's in this section?

1. The revised Directive 2019/7906 on Copyright in the Digital Single Market opens up untapped revenue streams and strengthens the protection of creators' rights: newly introduced measures aim to increase rights holders' revenues by improving the licensing system of copyrighted material to online content-sharing providers, contributing to a level playing field in the digital market.
2. New systems for exceptional authors' rights remuneration during the COVID-19 pandemic could lead to new monetisation solutions: New remuneration models developed by Collective Management Organisations (CMOs) during the COVID-19 pandemic could lead to more permanent business solutions and additional regulatory changes.

Subsectors mainly impacted by this trend:

4.1 THE REVISED DIRECTIVE ON COPYRIGHT IN THE DIGITAL SINGLE MARKET OPENS UP UNTAPPED REVENUE STREAMS

Transposition of the Directive on Copyright in the Digital Single Market in the EU member states (2020)



Source: CREAte and reCreating Europe (EU H2020 project)

Key Observations

- The revised Directive 2019/7906 on Copyright in the Digital Single Market supports right holders in recouping their investment into content production and curation. The Directive enables creators to decide on or be remunerated for the use of their content by certain online services providers, which have gained an essential role in distributing copyright content.
- The newly introduced measures open ways for increased revenue streams from unlicensed and under-licensed streaming platforms, which have been so far avoiding paying fees to rights holders for the use of their content (the so called “value gap”).
- Member States are due to transpose the Directive into national legislations by 7 June 2021.

4.2 EXCEPTIONAL MEASURES DURING THE COVID-19 PANDEMIC COULD LEAD TO NEW MONETISATION SOLUTIONS

- Collective Management Organisations (CMOs) developed new systems for exceptional authors’ rights remuneration during the COVID-19 pandemic to support them following the cancellation of live events.
- Some of these practices could lead to permanent monetisation solutions and develop additional revenue streams (livestreaming).

Examples	Short description

SACEM	SACEM (and other CMOs such as SABAM) set up a system for exceptional remuneration adapted to the livestreams played during the pandemic period
	• Contracts are being negotiated with YouTube and Facebook/Instagram and other platforms
	• The remuneration is the combination of two factors. It is calculated as EUR 0.001 per view plus the minimum amount allocated:
	    • Livestream of a title (lasting approximately 4/5 min): EUR 10
	    • Livestream lasting a maximum of 20 min: EUR 46.35
	    • Livestream lasting more than 20 min: EUR 76

Music Relief project	Music Innovation Hub (a social enterprise based in BASE Milan) in collaboration with Spotify and FIMI (the Italian Music Industry Federation) has launched a Support Fund for Music Artists and Professionals. The initiative is part of the global Spotify COVID-19 Music Relief project, launched to support artists and professionals in the music supply chain: for every euro donated to the MIH fund through the *Spotify COVID-19 Let's Support Music* page, Spotify will donate another, up to a total of USD 10 million allocated internationally.

4.2 INSURANCE PRODUCTS HAVE BEEN DEVELOPED TO OFFER EXPLICIT COVERAGE FOR BUSINESS INTERRUPTION

- Insurance providers are assessing the possibility to cover losses caused by COVID-19. In some cases, they are accepting additional coverage or voluntarily support to businesses affected the COVID-19 pandemic; in some jurisdictions the extension has not been accepted.
- The table provides examples of the insurance products covering losses caused by the COVID-19 pandemic specifically.

Proposal	Distribution	Type of coverage	Perils	Eligible policyholders	Coverage trigger	Government involvement
EIOPA (Europe)	Insurance sector (bundled with other coverage)	Non-damage business interruption (potentially parametric)	Pandemic	SMEs (potentially)	Not specified	Europe (fourth risk layer)
CATEX (Federation française des assureurs)	Insurance sector (attached to commercial property or business interruption policies)	Business interruption (fixed amount)	Extraordinary events (cyber, terrorism, pandemic, etc.)	SMEs	Government administrative order	Reinsurance (CCR)
GDV (Germany)	Insurance sector (levy or policy extension)	Business interruption	Pandemic (or epidemic)	No restriction	WHO/German authority declaration	Retrocession/ guarantee (highest layer)
ReStart (Lloyd's)	Insurance sector	Business interruption	COVID-19	Small companies (potentially all SMEs)	Not specified	None

THE CCS ARE AN INTEGRAL PART OF THE EXPERIENCE ECONOMY AND TOURISM

1 The digital uptake increases access to cultural content and drives CCS growth

2 Thought leadership to promote ecological sustainability

3 New forms of collaborations lead to innovative socio-economic models

4 A new regulatory framework unlocks new income generation opportunities

5 The CCS are an integral part of the experience economy and tourism

What's in this section?

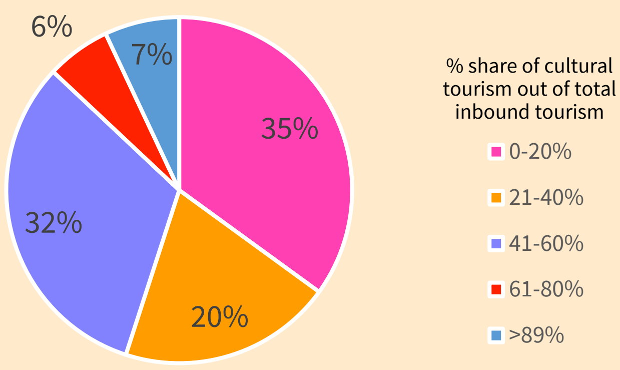
1. Culture is one of the main factors behind tourism in Europe: it is estimated that cultural tourism accounts for 40% of all European tourism. Culture highly contributes to regional development, for instance in terms of increased touristic ancillary spending on the local economy.

2. Cultural institutions across Europe are experimenting with new ways to integrate place-based experiences with digital offers: in response to the mobility restrictions imposed by the COVID-19 pandemic, museums and theatres are experimenting with new ways to engage with visitors online and to find new monetisation pathways.

Subsectors mainly impacted by this trend:

5.1 CULTURE IS ONE OF THE MAIN FACTORS FOR TOURISTIC TRIPS IN EUROPE

Country estimates of cultural tourism market size as a proportion of inbound tourism, according to UN WTO Member States responses in % (data from 2014)*



The above graph shows the estimated contribution of cultural tourism as a share of inbound tourism in Member States of the UN World Tourism Organisation (WTO).

Definition of Cultural Tourism:

"A type of tourism activity in which the visitor's essential motivation is to learn, discover, experience and consume the tangible and intangible cultural attractions/products in a tourism destination. These attractions/products relate to a set of distinctive material, intellectual, spiritual and emotional features of a society that encompasses arts and architecture, historical and cultural heritage, culinary heritage, literature, music, creative industries and the living cultures with their lifestyles, value systems, beliefs and traditions"[1].

Key Observations

- Discovering and experiencing tangible and intangible cultural attractions/products represent a considerable part of tourists' reasons to travel, especially for domestic tourists: according to UN WTO data, **45% of the WTO countries reported that more than 40% of international tourists visited a country based on its cultural offering**. Furthermore, even if culture itself is not their primary reason for travel, tourists often use cultural services and facilities during their stay.
- Cultural tourism plays an important role in contributing to regional attractiveness, for instance in terms of increased touristic' ancillary spending on the local economy in sectors such as restaurants, hotels and traditional products and services. According to a recent study, material cultural heritage accounts for 28.5% of the economic impact of the total tourism sector in Europe. This corresponds to more than 400,000 FTE, EUR 47,510 million turnover and EUR 20,507 million contribution to Gross Value Added (GVA) (ESPON, 2019).

Sources: EUROSTAT; ESPON, The Material Cultural Heritage as a Strategic Territorial Development Resource (2019); UNWTO, Tourism and Culture Synergies (2018, data 2014)

[1]Definition adopted during the 22nd Session of the General Assembly held in Chengdu, China (11–16 September 2017).

5.2 INTEGRATION OF PLACE-BASED EXPERIENCES WITH DIGITAL OFFERS TO COMPLEMENT PLACE-BASED TOURISM

- Due to travel restrictions imposed by the COVID-19 pandemic, in May 2020 the UN World Tourism Organisation estimated that earnings from international tourism may be 80% lower than in 2019.
- Millions of people have been seeking out alternative forms of cultural tourism: less space-oriented and more interactivity driven, with digital experiences focusing on participation and additional features.
- Without international tourism, cultural sites and institutions have been seeking alternative forms of engagement with visitors using online technologies. According to NEMO (the Network of European Museum Organisations), almost 70% of the surveyed museums increased their online presence since they were closed due to social distancing measures in March 2020. More than 40% of the survey respondents noticed increased online visits to their museum.
- Beyond virtual tours, cultural institutions are experimenting with new forms of engagement through multiple new platforms and the development of content around museum collections (podcasts, apps, video content, video games…).
- Cultural organisations are also using digital tools to reconnect to local communities and increase proximity tourism. The European Commission launched the social media campaign 'Europe's culture – close to you', to help Europeans discover the beauty and richness of places close to their homes.

Examples	Short description
Van Eyck from home (Belgium)	Visit Flanders and the MSK (Ghent fine arts museum) joined forces with Belgian virtual reality company Poppr, to develop an online 360° virtual tour of the Van Eyck galleries. In addition, visitors can download "do-it-yourself assignments" to make their own paint
Promenades imaginaires : podcasts of Musée d'Orsay (France)	The museum offers a series of podcasts adapted for children available on Spotify or Apple podcasts

Sources: UNWTO, NEMO, Survey on the impact of the COVID-19 situation on museums in Europe, Final report

CHAPTER 2 SUBSECTORIAL ANALYSIS

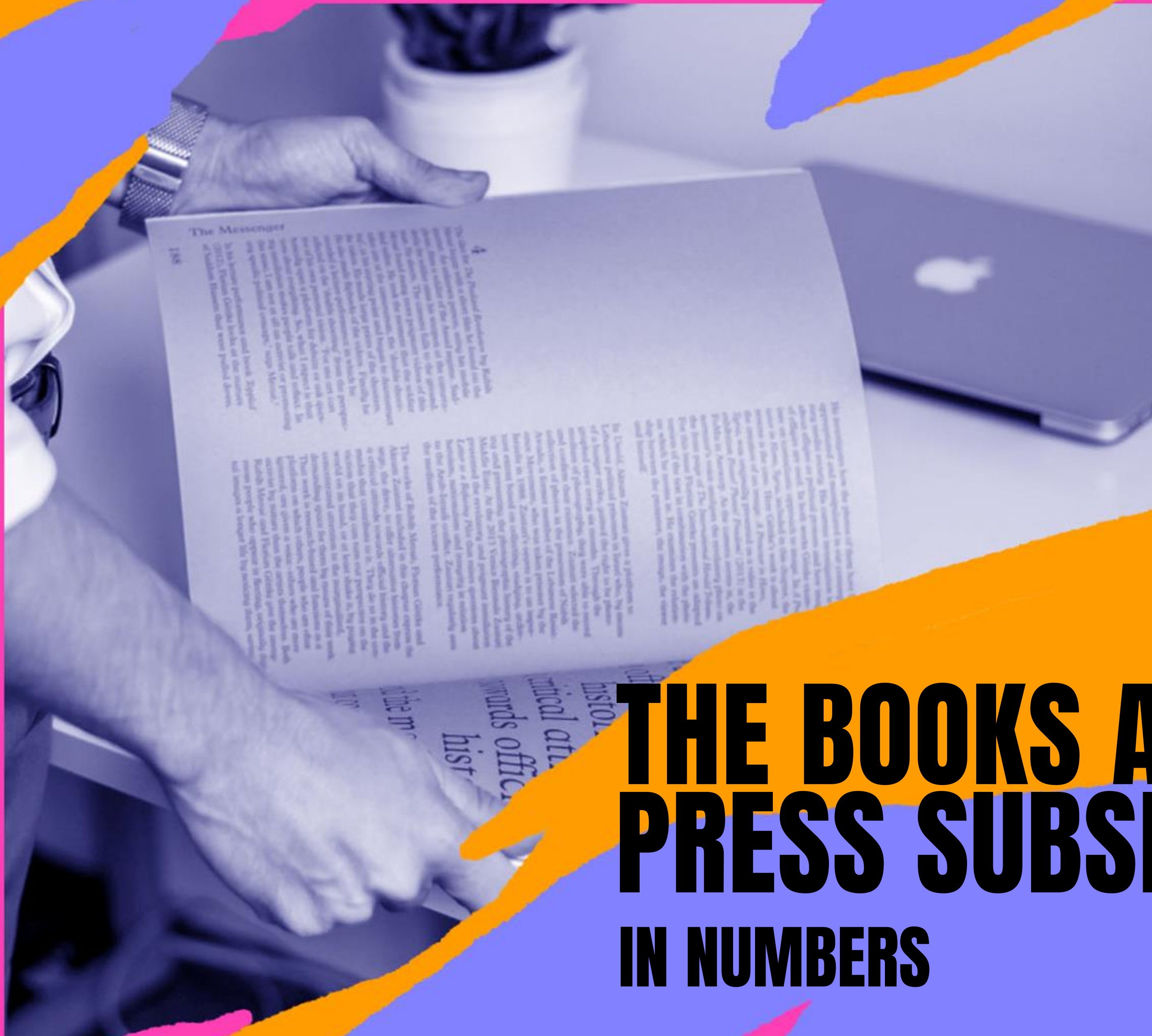
BOOKS & PRESS
SECTION OVERVIEW

The Books and press subsector in numbers:

- The value added of the Books & Press subsector grew at a 1.3% CAGR between 2013 and 2017 employing 1.59 million workers
- 27.9% of the 360,000 EU Books & Press companies are specialised in translation and interpretation activities
- The Books & Press subsector contributes, on average 1% to each EU Member States' economy in terms of value added with the average share of the number of Books and Press companies within EU Member States amounting to 1.5%.

Trends shaping the Books & Press subsector:

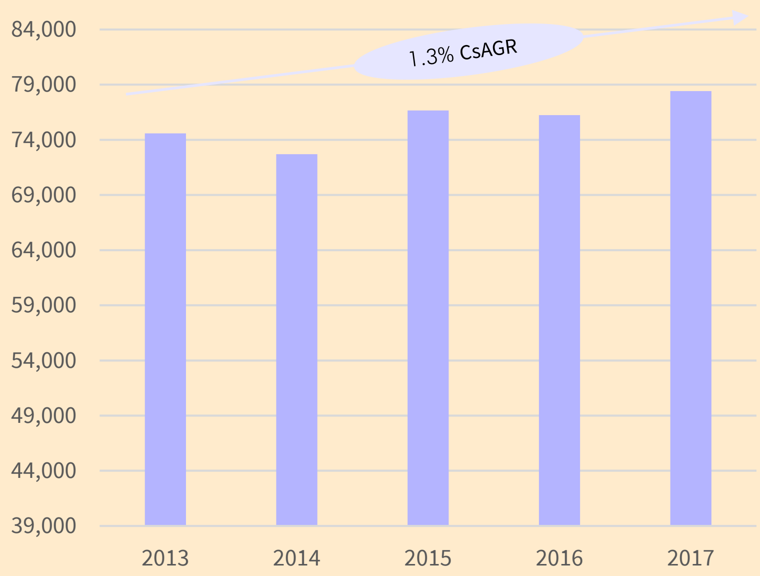
- Books and press subsectors are increasingly moving from physical to digital: new formats enriched with audiovisual content (podcasts, audio-books) are attracting consumers' attention and represent an additional channel to engage more deeply with younger and new audiences.
- Publishers have started developing new monetisation strategies: as new consumption models emerge, new business models develop to increase digital revenues.
- New neighbouring right for press publishers: recent developments in the EU regulatory framework support publishers in claiming a share of news platforms' revenue from traffic and advertisement



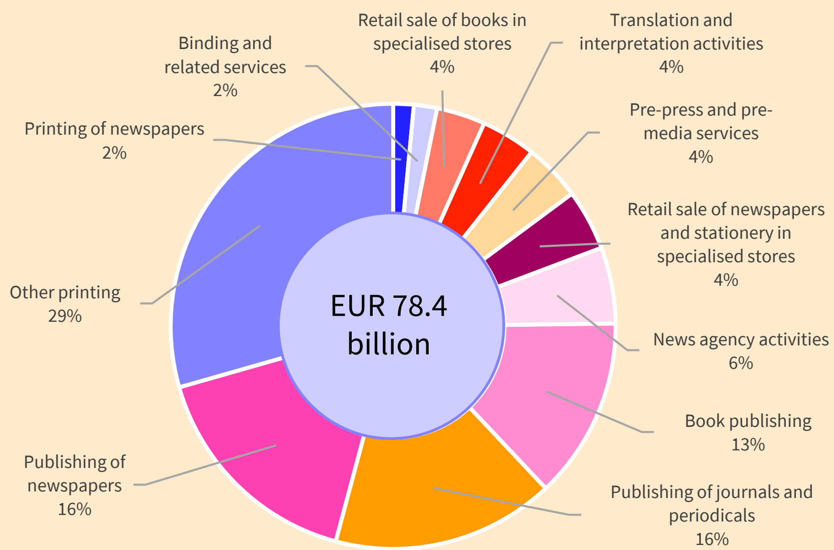
THE BOOKS AND PRESS SUBSECTOR
IN NUMBERS

THE VALUE ADDED OF THE BOOKS & PRESS SUBSECTOR GREW AT A 1.3% CAGR BETWEEN 2013 AND 2017

Evolution of the B&P subsector's value added (€ M)



Contribution of each economic activity of the B&P subsector towards value added (2017)



Key Observations

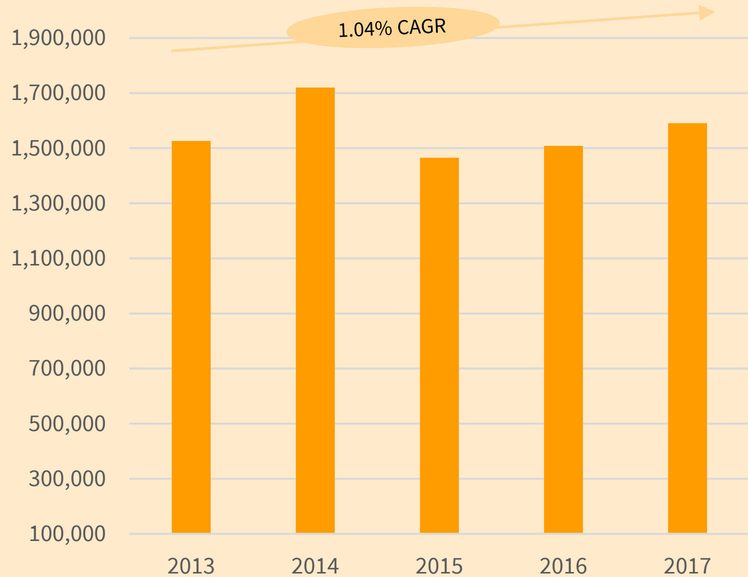
- The value added by the EU's Books & Press subsector reached EUR 78,422 million in 2017 i.e. EUR 3,830 million more than in 2013
- Between 2013 and 2017, the value added generated by the EU'S Books & Press industry grew at a 1.3% CAGR

Key Observations

- The EU'S Books & Press industry is a diversified sector composed of 11 types of economic activity
- Next to Other printing which accounts for 29% of the sectors value added, activities related to the publishing of newspapers, the publishing of journals and periodicals and book publishing account for 45% of the value added generated by this subsector

THE EU BOOKS & PRESS INDUSTRY EMPLOYS 1.59 M WORKERS

Evolution of employment in the B&P subsector



Share of each economic activity out of total employment in the B&P subsector (2017)

Key Observations

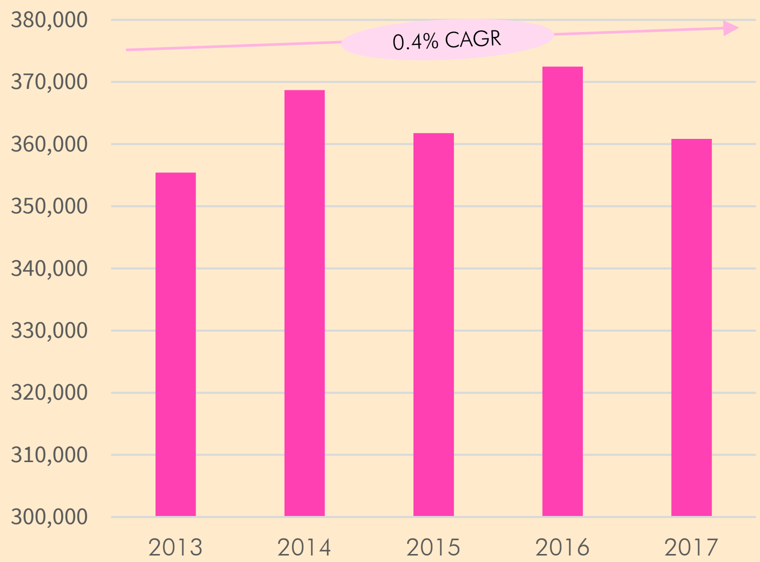
- The number of persons employed by the EU's Books & Press industry reached 1.59 M in 2017, 64,517 more than in 2013
- Between 2013 and 2017, the number of persons employed by the EU's Books & Press industry grew at a 1.04% CAGR. Overall employment during the period was fluctuating with a peak in 2014 and a sharp decline in 2015 (which is due to a significantly higher employment figure reported by the UK in 2014 which falls back to the 2013 level in 2015)

Key Observations

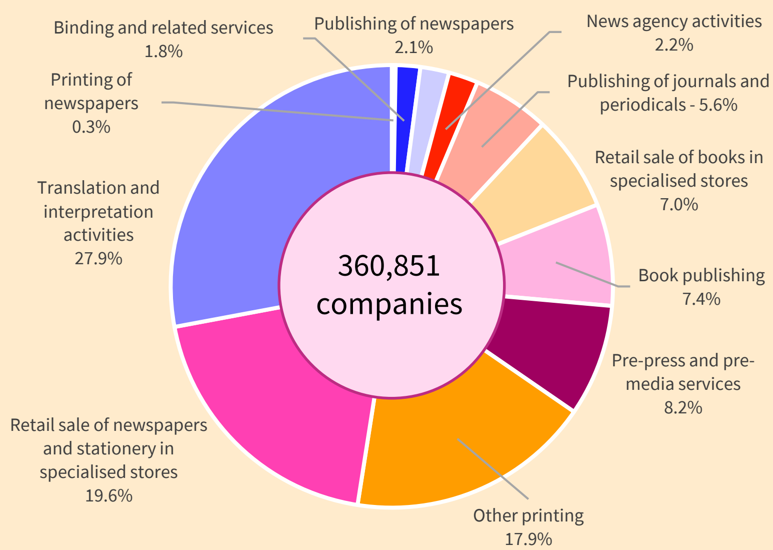
- As of 2017, most EU Books & Press workers (32.3%) were employed by companies that develop Other printing activities
- The second and third most important economic activities in terms of employment are Retail sale of newspapers and stationery in specialised stores (12.3%) and Publishing of newspapers (12%)

65.4% OF THE EU BOOK & PRESS COMPANIES ARE SPECIALISED IN TRANSLATION AND INTERPRETATION ACTIVITIES, RETAIL AND SALE OF NEWSPAPERS AND OTHER PRINTING ACTIVITIES

Evolution of the number of companies in the B&P subsector



Share of each economic activity out of the total number of companies in the B&P subsector (2017)



Key Observations

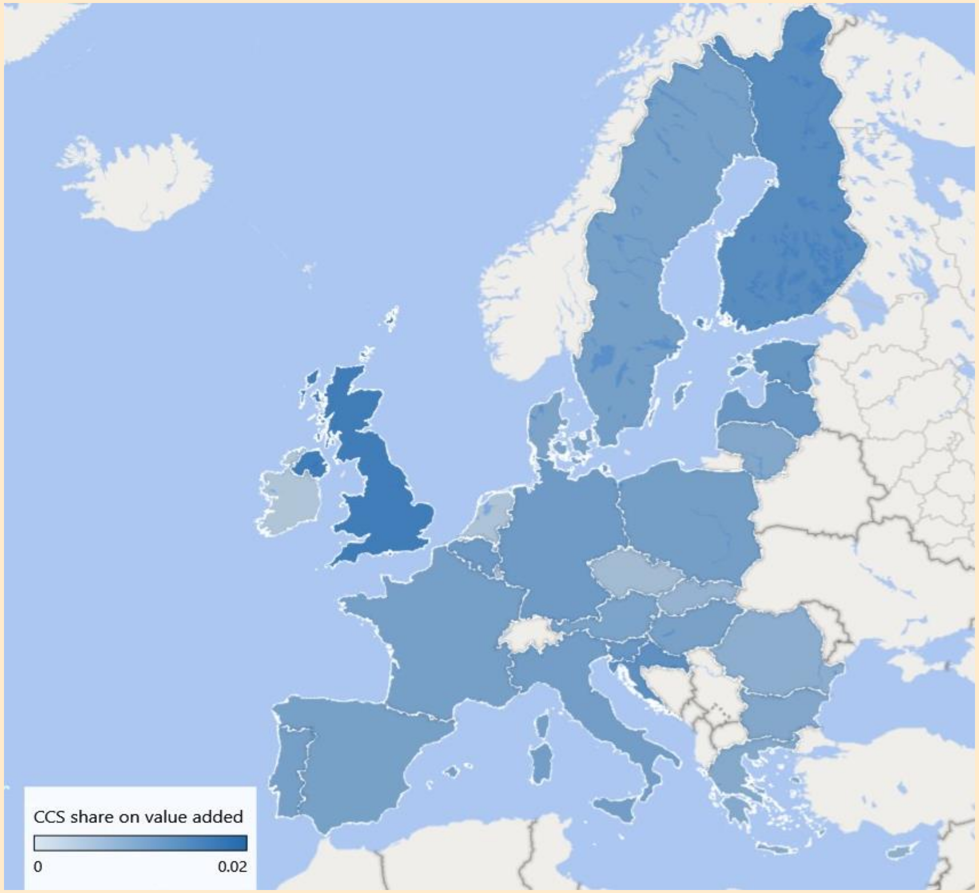
- The number of companies in the EU's Books & Press industry reached 360,851 in 2017, 5,436 more than in 2013
- Between 2013 and 2017, the number of EU Books & Press companies grew at a 0.4% CAGR. Despite this positive growth, over the period the number of companies saw some fluctuations (which is due to a significantly higher figure reported by the UK in 2014 which falls back to the 2013 level in 2015).

Key Observations

- Most EU Books & Press companies are specialised in Translation and interpretation activities (27.9%)
- Retail sale of newspapers and stationary in specialised stores (19.6%) and Other printing (17.9%) are the second and third most common kind of EU Books & Press companies

THE BOOKS & PRESS SUBSECTOR CONTRIBUTES,ON AVERAGE 1% TO EACH EU MEMBER STATES' ECONOMY IN TERMS OF VALUE ADDED

Share of value added in each MS (2017)



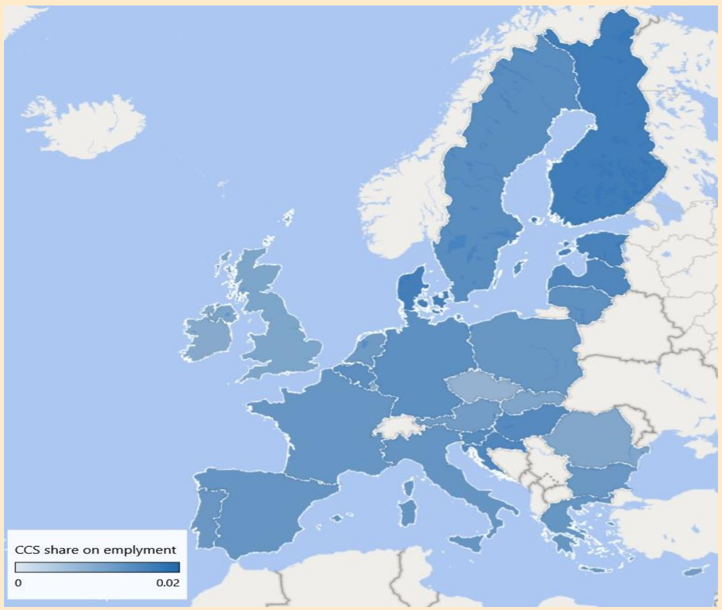
Source: Eurostat
Note: data not available for MT

Key Observations

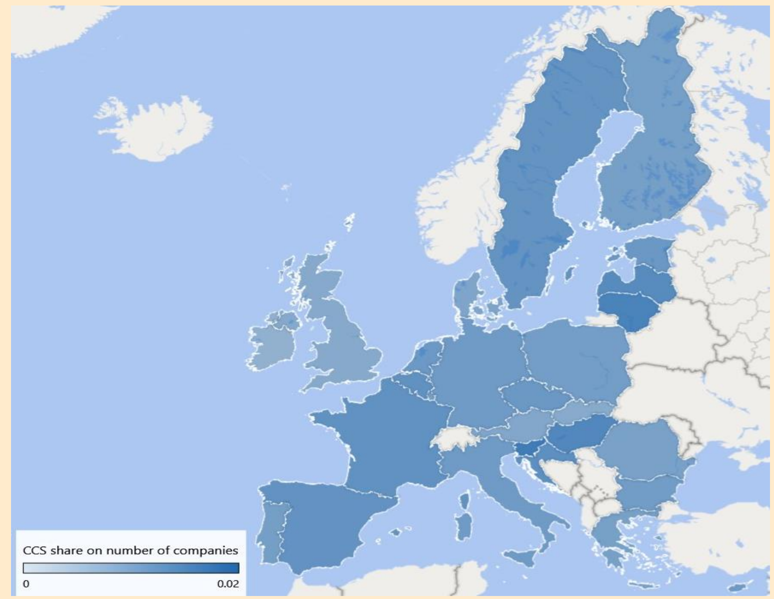
- Across Member States, the Books & Press industry represents, on average, 1% of the national value added.
- The Books & Press subsector is most relevant for the UK's economy, where it corresponds to 1.7% of national value added. The UK industry appears to account for the majority of English publications as Ireland is the EU Member State in which Books & Press has the lowest weight on the national value added (0.3%).
- Other countries where the Books & Press share on the national value added are higher than the EU average are:
  - Finland (1.7%),
  - Croatia (1.3%),
  - Estonia (1.2%),
  - Latvia (1.1%),
  - Slovenia (1.1%),
  - Belgium (1.1%),
  - Germany (1.1%),
  - Italy (1.%),

THE SHARE OF BOOKS AND PRESS COMPANIES WITHIN EU MEMBER STATES AMOUNTS TO 1.5% ON AVERAGE

Share of B&P employment out of total employment by MS (2017)



Share of B&P companies out of total companies by MS (2017)



Key Observations

- Across Member States, the share of Books & Press employment out of national employment is, on average, 1.1%
- The share of the Books & Press employment out of the national economy are the highest in Finland (1.6%), Denmark (1.6%) and Estonia (1.5%)

Key Observations

- On average, Books & Press companies represent 1.5% of companies in each Member State
- The countries where Books & Press companies are more representative are Slovenia (2.3%), Lithuania (2.1%) and Hungary (2%)

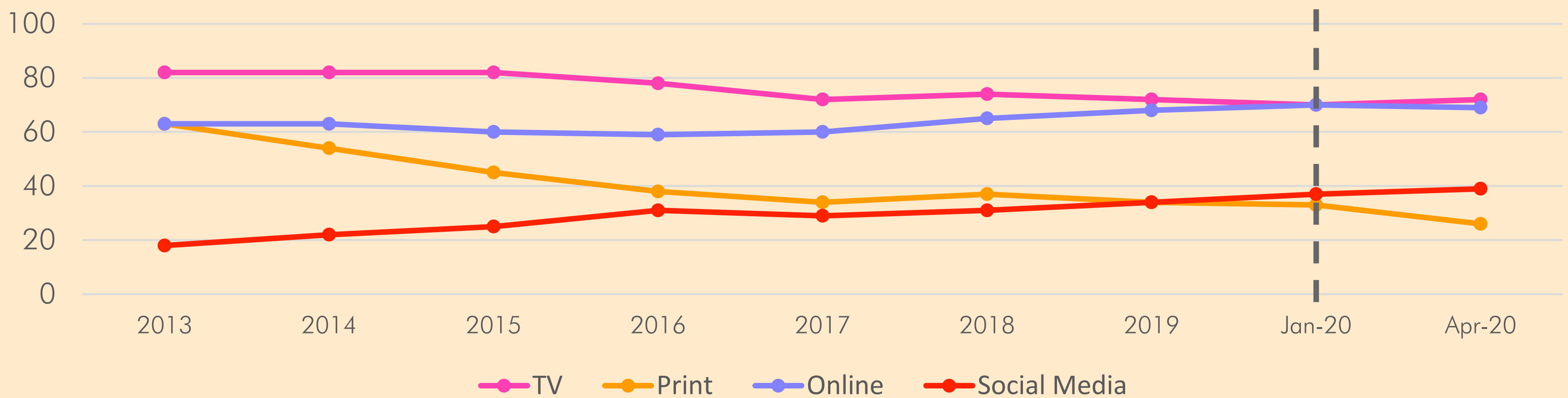
Notes: Data not available for Malta

THE BOOKS AND PRESS SUBSECTOR

MAIN TRENDS

TREND 1: NEWS ARE INCREASINGLY CONSUMED DIGITALLY ACROSS DIFFERENT PLATFORMS

Case study Germany: sources used (in %) to access news in the last week in Germany (2013–20)



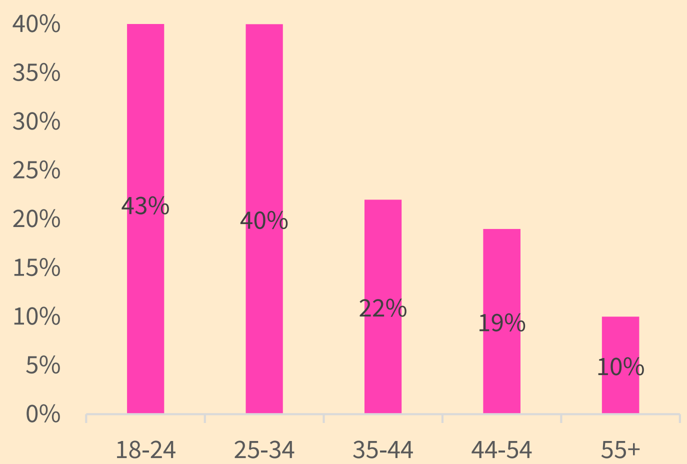
Key Observations

- Today, written press is increasingly accessed digitally across different platforms (e.g. social media, messaging, apps, and websites), although traditional media outlets are still considered valuable sources of information.
- News aggregators (e.g. Google News, Yahoo! News, Snapchat Discover or Apple News) are on the rise as easy access points to a large variety of news sources, often organized according to user' preferences.
- According to Reuters (Digital News Report 2020), in the last years the use of social media (especially Twitter and Facebook) and apps (WhatsApp) substantially increased in most key markets such as Germany, Spain and the UK. By contrast, printed newspapers and magazines have continued to decline, a trend accelerated by the COVID-19 lockdowns due to the difficulties in distributing physical copies.

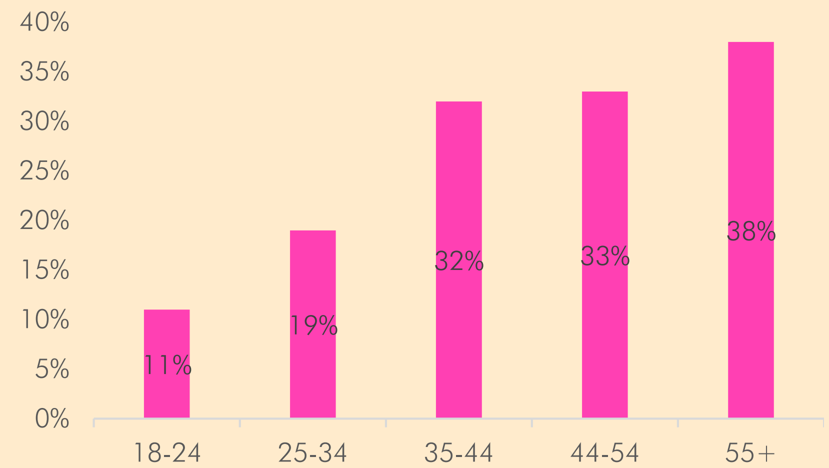
Source: Reuters Institute for the Study of Journalism / Digital News Report 2020

TREND 1: CASE STUDY FOR THE UK - PODCASTS ARE GAINING POPULARITY AS A NEW FORMAT TO ACCESS NEWS, ESPECIALLY BY YOUNGER GENERATIONS

Case study UK: Podcast listeners by age (proportion of each age group listening monthly) in UK, 2020



Case study UK: Radio news listeners by age (Proportion of each age group listening weekly) in UK, 2020



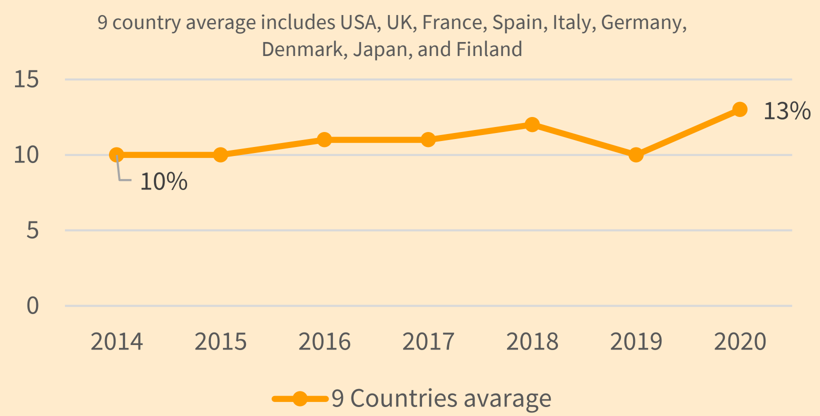
Key Observations

- Podcasts are increasingly used to access news. The Guardian (UK), Aftenposten (Norway), and Les Echos (France) are amongst publishers to have launched successful daily news podcasts in the last two years.
- Podcasts are particularly used by the younger population (18-24 and 24-34), while older generations prefer more traditional channels such as the radio. In the UK, half of all podcasts are listened to by listeners under the age of 35 mainly via mobile phones.
- Podcasts and other distribution formats like video, email, and notifications may help publishers continue to engage more deeply with the next generation and other audiences.
- During the coronavirus lockdowns some podcast listening reportedly fell by up to 20%, a reminder of how integral podcasts have become to commuting habits and other activities outside of the home.

Source: Reuters Institute for the Study of Journalism / Digital News Report 2020

TREND 1: PUBLISHERS HAVE STARTED DEVELOPING NEW MONETISATION STRATEGIES TO INCREASE DIGITAL REVENUES, NOTABLY SUBSCRIPTION MODELS

PROPORTION THAT PAID FOR ANY ONLINE NEWS IN LAST YEAR (2014–20)



Definitions of the different types of video games in the VG market:

- In 2020 there was a significant increase in the percentage of consumers paying for online news, including a jump of eight points in Norway to 42%. On average, 26% of consumers pay for news in Europe's Nordic countries (Sweden, Norway, Finland and Denmark)
- More publishers have started charging for content or tightening paywalls to ensure a steady stream of revenue.
- Premium content and archive access can also be available free of charge when the consumer opts for a subscription.

Publishers are also exploring other business models on top of subscription models

Business model	Short description
Digital advertising	The digital advertising market has been steadily growing in the past years. The global ad spending in the online environment has increased from USD 265 billion in 2017 to USD 365 billion in 2020 (a 9.4% growth year-on-year) and is forecast to reach USD 426 billion by 2023.
Affiliate digital marketing (e-commerce)	This monetisation method is suitable for media outlets focused on niche topics that can advertise connected products on their platforms and subsequently act as intermediaries between their audience and the advertised product. The publishers receive a percentage for every successful deal made.
Crowdfunding	More and more online publications now rely on (regular) payments or donations. This has become a way of funding particularly relevant for non-profit organisations

Source: Reuters Institute for the Study of Journalism / Digital News Report 2020, STATISTA

TREND 1: IN THE BOOK SECTOR, CONSUMPTION OF AUDIOBOOKS AND PODCASTS ALSO OPENS OPPORTUNITIES FOR NEW REVENUE STREAMS

Growing use of audiobooks

- Audiobooks are increasing in popularity as an alternative format to consume traditional printed books. While physical book sales are still predominant, Deloitte predicts that the global market for audiobooks will grow by 25 % in 2020 to USD 3.5 billion, overtaking e-books.
- The audiobook market in Europe is showing potential for growth, especially in some countries such as the UK (benefitting from English-language content) and Nordic countries (5 800 new titles annually, 32 000 available). The rise in audio interfaces and smart-speaker penetration are likely to increase consumers' interest in audio products.
- The increasing popularity in audio is widely regarded as good news in the publishing industry, looking for new ways to engage with audiences, especially the younger generations.
- Audiobooks are also improving accessibility to cultural content for people with disability (e.g. visually impaired).
- Audiobooks are not the only audio format gaining in popularity. Deloitte also predicts that the global podcasting market will increase by 30 percent to reach USD 1.1 billion in 2020, surpassing the USD 1 billion mark for the first time. Podcasts are less expensive to produce than audiobooks and can be consumed in a shorter period of time.

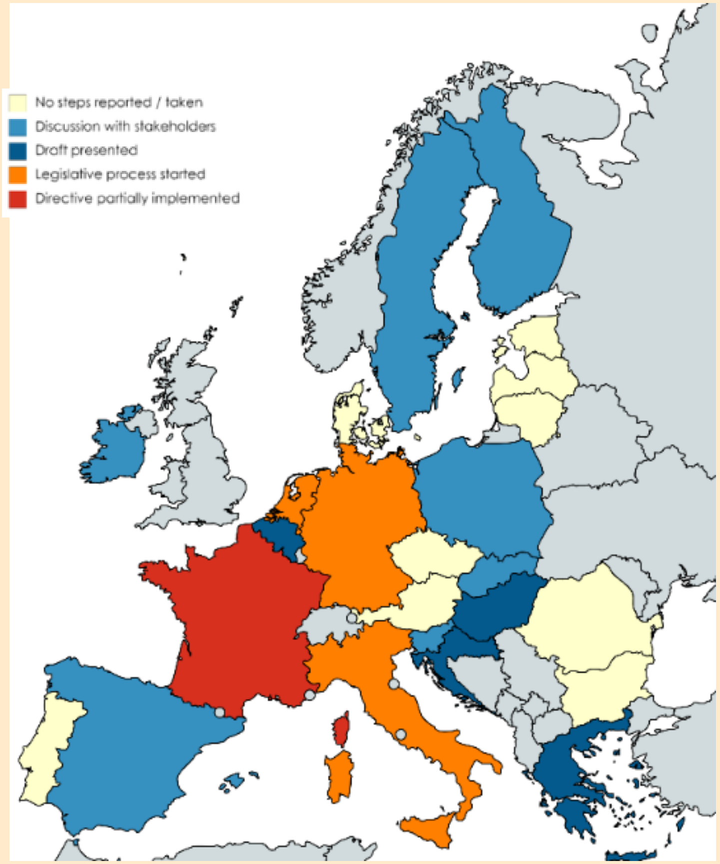
Monetisation strategies

- While e-book and audiobook markets are still in an early stage, new monetisation strategies are emerging, like subscription models for audiobooks and podcasts. Audio book platforms such as https://libro.fm/indies (US with some EU countries) https://bookshop.org/ (US) collaborate with independent booksellers and return a share of sales back to them.
- Advanced technologies like deep analytics of consumer behaviour and dynamic ads can help publishers in providing a more personalised experience to new potential readers, influencing marketing campaigns and improving discoverability of content.

Sources: FEB – Activity report 2019-2020; Deloitte Insights, The ears have it: The rise of audiobooks and podcasting, 2020

TREND 4: THE NEW COPYRIGHT FRAMEWORK SUPPORTS PUBLISHERS IN CLAIMING A SHARE OF NEWS PLATFORMS' REVENUES FROM ONLINE TRAFFIC AND ADVERTISING

Transposition of the Directive on Copyright in the Digital Single Market in the EU member states (2020)



- The Directive on copyright and related rights in the Digital Single Market (Article 15) introduced a new neighbouring right for press publishers (the "publisher's right"). The provision's aim is to protect the online reproduction of copyright-protected news content (e.g. through news aggregators).
- In the new regime, online platforms and content aggregators can no longer link news to their platforms without prior authorisation of the publishers and are required to negotiate a licensing agreement (licensing fees). Thus, publishers can claim a share of news platforms' revenues from traffic and advertisement as a remuneration.
- In France, the only Member State that has partially implemented the directive, after a judicial phase in front of the Paris Court, the umbrella association of French publishers has negotiated a form of remuneration for the publication of extracted contents on Google News.
- The new publisher's right is recognised in addition to existing rights held by other stakeholders within the value chain and does not affect the independent exploitation of other rights.

Source: CREAte and reCreating Europe (EU H2020 project)

AUDIOVISUAL MEDIA (AVM)
SECTION OVERVIEW

The AVM subsector in numbers:

- The value added of the AVM subsector grew at a 7.2% CAGR between 2013 and 2017 reaching EUR 185 billion:
    - Computer programming activities generate more than half of the EU AVM value added
    - AVM contributes, on average, 2.5% towards value added in each Member State of the EU
- Employment in the EU AVM subsector grew at a 6.5% CAGR between 2013 and 2017 reaching more than 2.7 million with more than 50% of workers employed in computer programming activities
- Between 2013 and 2017 the number of AVM companies in the EU increased by 161,486 reaching 638,000 in 2017
- AVM companies represent, on average, 2.9% of the total number of companies in each Member State

Trends shaping the AVM subsector:

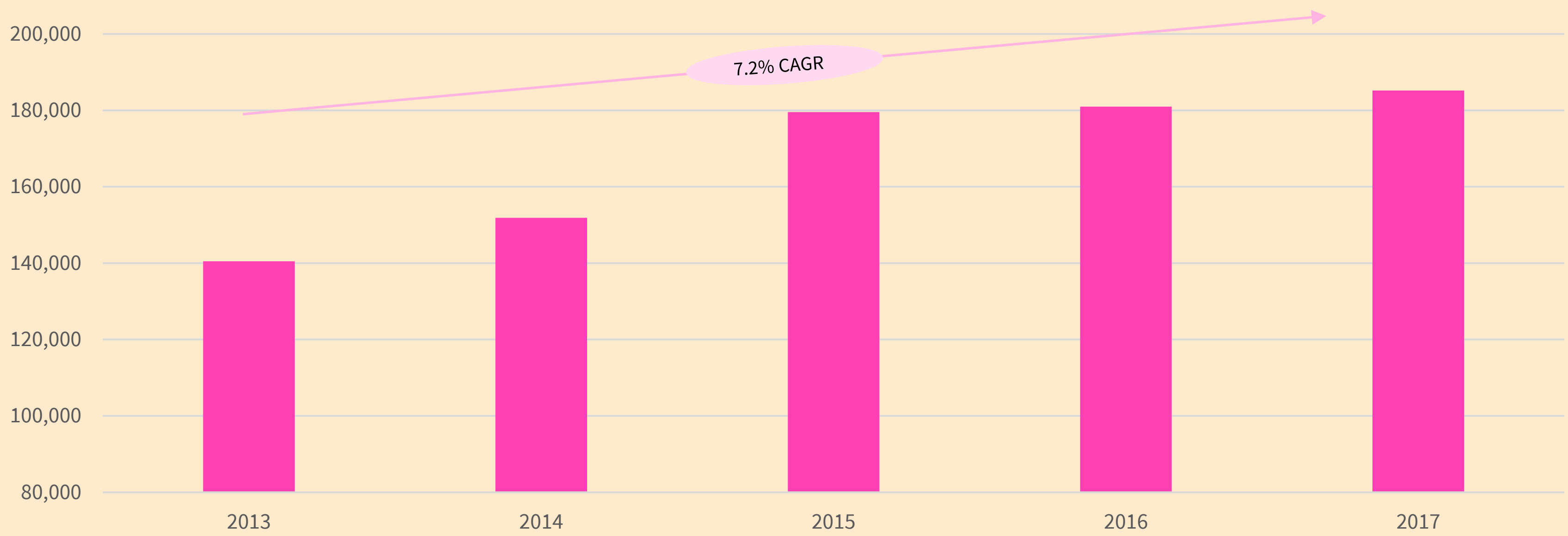
- The subscription business model is gradually replacing the ownership model and becoming the main point of access for AV and music content
- In the mobile games industry, business models are constantly advancing in order to fully adapt to user preferences
- The AVM sector is adopting more sustainable solutions and implements greener production and consumption practices

THE AVM SUBSECTOR

IN NUMBERS

THE VALUE ADDED OF THE AVM SUBSECTOR GREW AT A 7.2% CAGR BETWEEN 2013 AND 2017

Evolution of the AVM value added (EUR million)

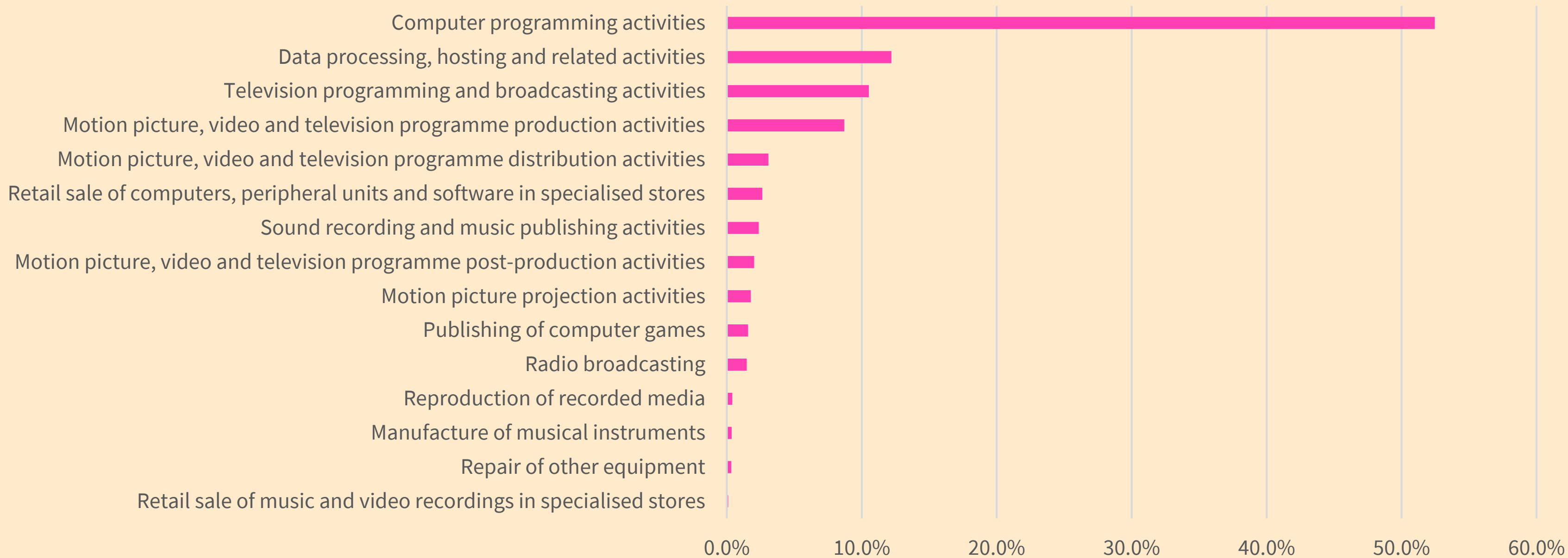


Key Observations

- The value added by the EU AVM industry grew at a 5-years CAGR of 7.2%, reaching EUR 185.2 billion in 2017
- This strong growth was led by Publishing of computer games, which between 2013 and 2017 grew at a CAGR of 20%
- The second economic activity that saw significant growth is related to Motion picture, video and television programme post-production activities with a growth of 17% CAGR over the 2013-2017 period

ANALYSIS BY ECONOMIC ACTIVITY: COMPUTER PROGRAMMING ACTIVITIES GENERATE MORE THAN HALF OF THE EU AVM VALUE ADDED

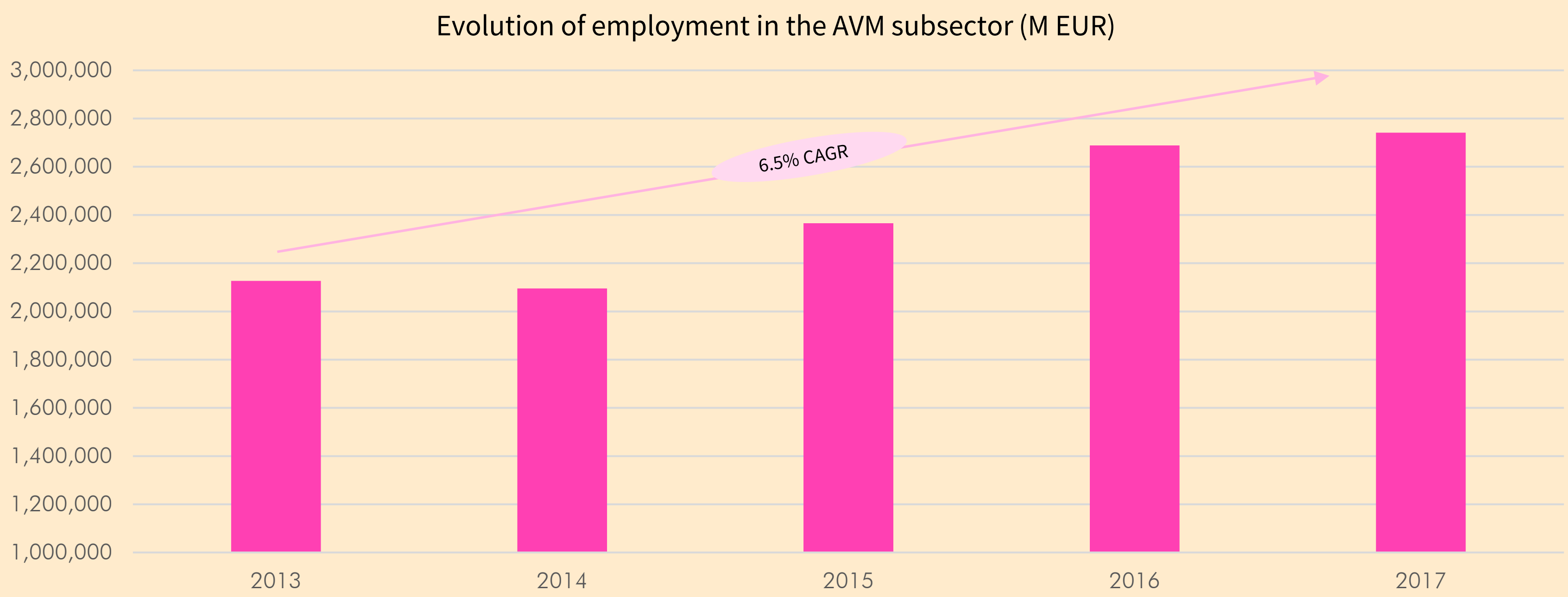
Contribution of each economic activity on the overall value added of the AVM subsector (2017, Total : 185.2 billion EUR)



Key Observations

- “Computer programming activities”, “Data processing, hosting and related activities”, “Television, programming and broadcasting activities” and “Motion picture, video and television programme production activities” account for 83.9% of the value added by the EU’s AVM subsector.
- Among the other AVM components, “Motion picture, video and television programme distribution activities” (3.1%), “Retail sale of computers, peripheral units and software in specialised stores” (2.6%) and “Sound recording and music publishing activities” (2.4%) are the main activities in terms of value added.

EMPLOYMENT IN THE EU AVM SUBSECTOR GREW AT A 6.5% CAGR BETWEEN 2013 AND 2017

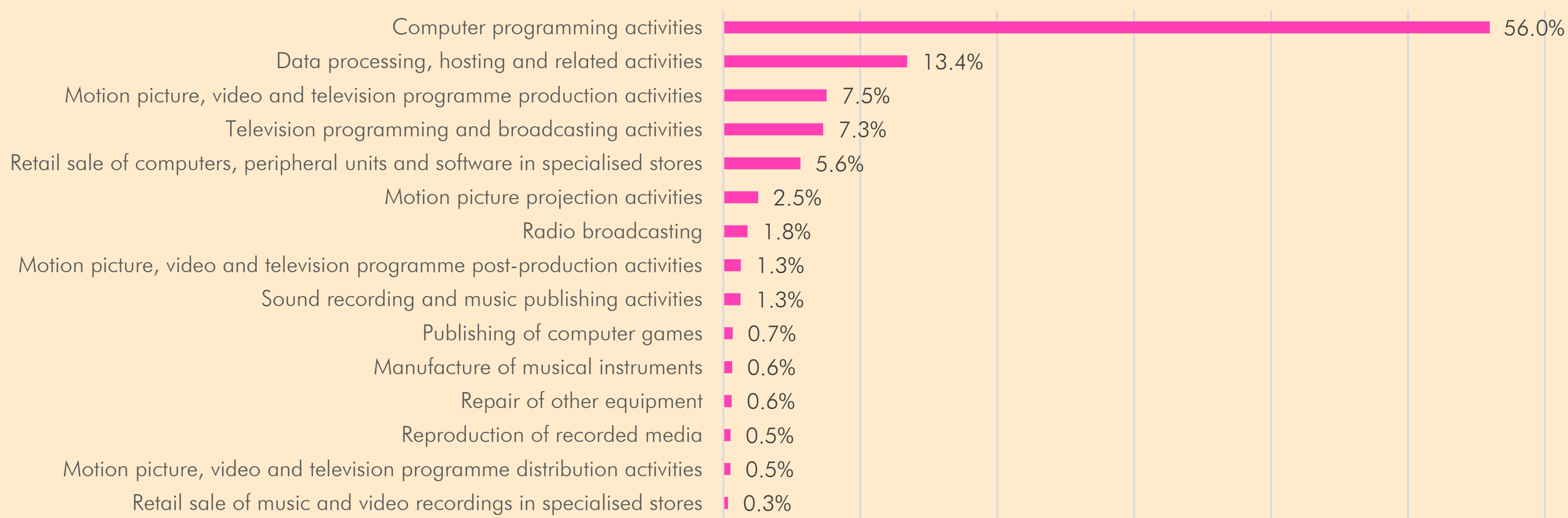


Key Observations

- Employment in the EU's AVM subsector grew at a CAGR of 6.5% between 2013 and 2017, from 2,126,941 to 2,741,249 workers.
- Growing at a CAGR of 21%, "Publishing of computer games" was the AVM activity which registered the highest growth rate in terms of job creation.
- In absolute terms, most of the AVM jobs created in the analysed period were related to "Computer programming activities". Out of the 614,308 new jobs created in AVM, 505,208 were related to these activities.

MORE THAN HALF OF WORKERS IN THE EU'S AVM SUBSECTOR ARE EMPLOYED IN COMPUTER PROGRAMMING ACTIVITIES

Share of each economic activity out of total AVM employment (2017)

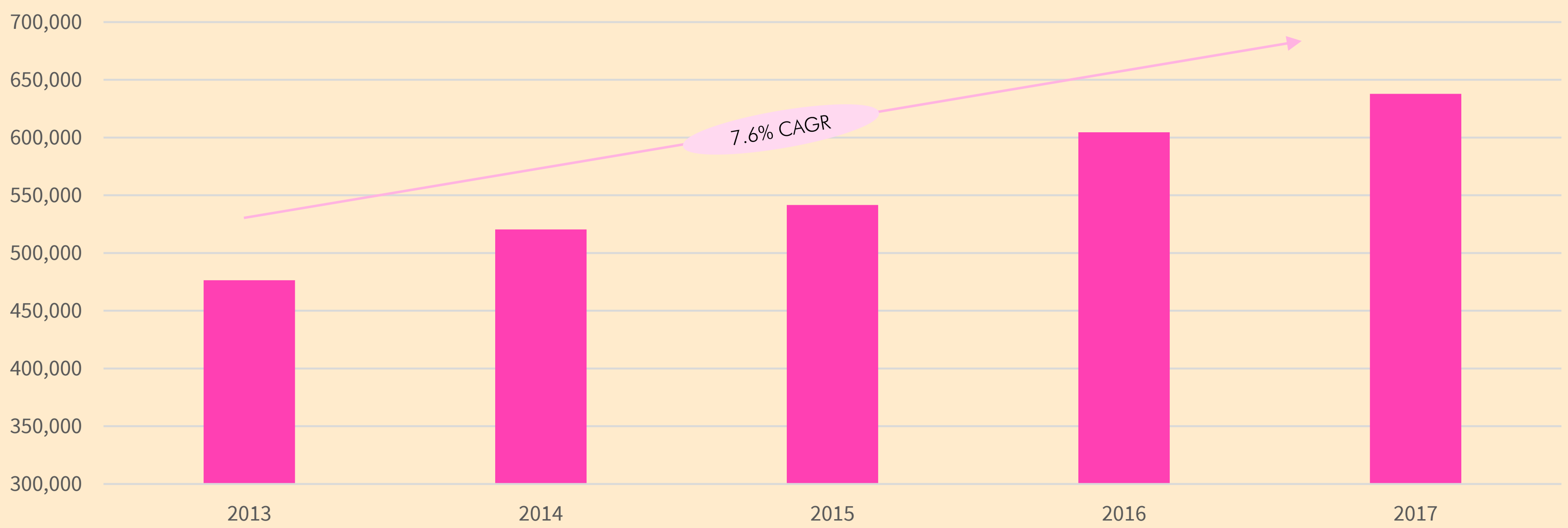


Key Observations

- More than half (56%) of the AVM employees work in "Computer programming activities";
- "Data processing, hosting and related activities" (13.4%), Motion picture, video and television programme production activities (7.5%) and "Television programming and broadcasting activities" (7.3%) are the other top AVM activities in terms of employment;
- "Retail sale of music and video recordings in specialised stores" (0.3%), "Motion picture, video and television programme distribution activities" (0.5%) and "Reproduction of recorded media" (0.5%) are the AVM activities that employ less workers

THE NUMBER OF AVM COMPANIES IN THE EU INCREASED BY 161,486

Evolution of the number of companies in the AVM subsector



Key Observations

- Between 2013 and 2017, the number of companies in the EU AVM industry grew at a CAGR of 7.6%, jumping from 476,438 to 637,924 enterprises.
- The strong performance has been driven by the growth of "Publishing of computer games" (12.3% CAGR) and "Computer programming activities" (10.4% CAGR) in the reference period.
- "Motion picture, video and television programme production activities" was the third main driver of this growth. In the analysed period, the number of companies for this AVM activity increased at a 9.3% CAGR, as 29,801new enterprises were created.

51.4% OF THE EU'S AVM COMPANIES PERFORM COMPUTER PROGRAMMING ACTIVITIES

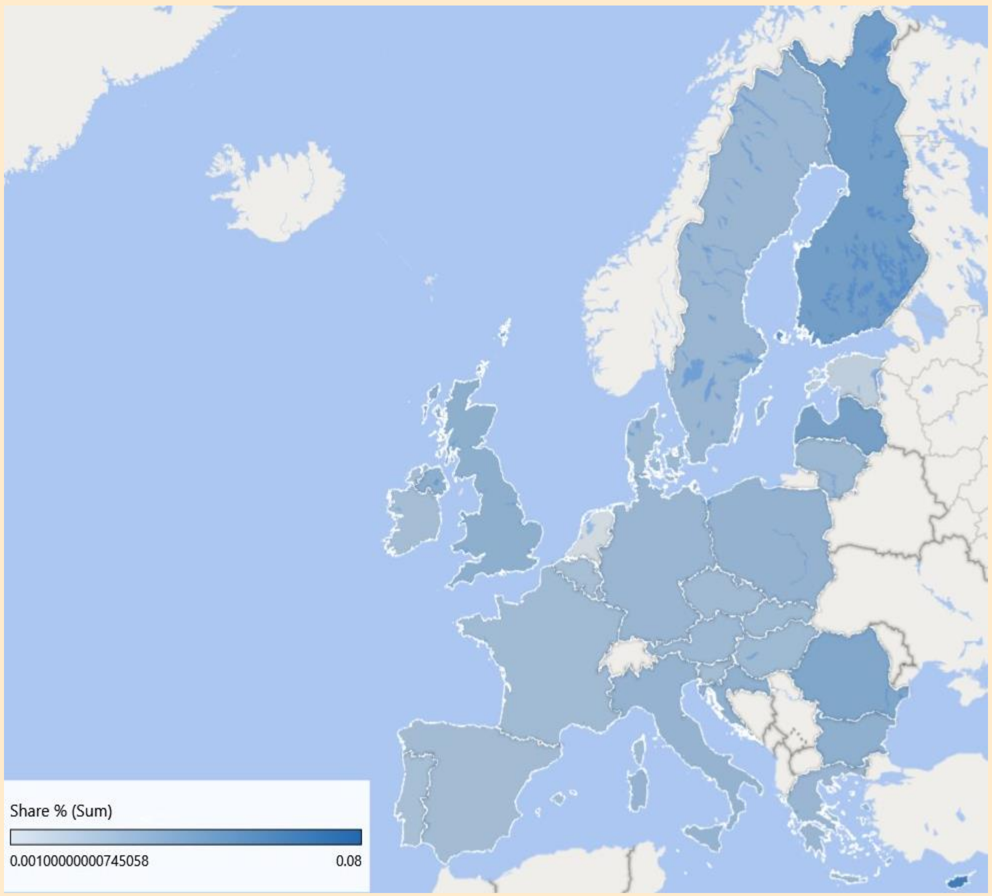
Share of each economic activity out of the total number of AVM companies (2017)

Key Observations

- 51.4% of the EU's AVM companies develop "Computer programming activities". These companies are followed by AVM companies performing "Motion picture, video and television programme production activities".
- "Data processing, hosting and related activities" (12%) is the third main activity that the EU's AVM companies specialise in. It is followed by "Retail sale of computers, peripheral units and software in specialised stores".
- "Publishing of computer games" is still the activity with the lowest share of companies in the EU AVM industry (0.4%). This is most likely because:
  1. Video games publishers are mainly big companies of which there are only a few.
  2. Companies that are today active in the video games publishing business were initially game developers and thus registered under a different NACE code. Furthermore with the advent of e-shops and mobile gaming a "middle-class" is emerging in video games (including taking up a publishing role), whereas video games publishers were a small closed group beforehand. This is why most of these new publishers were not in this field a few years ago and can most likely by found within computer programming activities.

AVM CONTRIBUTES, ON AVERAGE, 2.5% TOWARDS VALUE ADDED IN EACH MEMBER STATES OF THE EU

Contribution of AVM towards value added in each MS (2017)



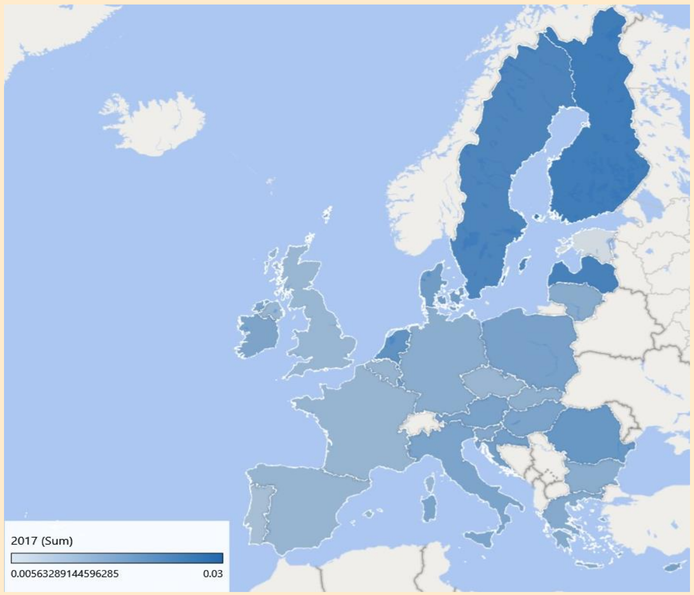
Source: Eurostat

Key Observations

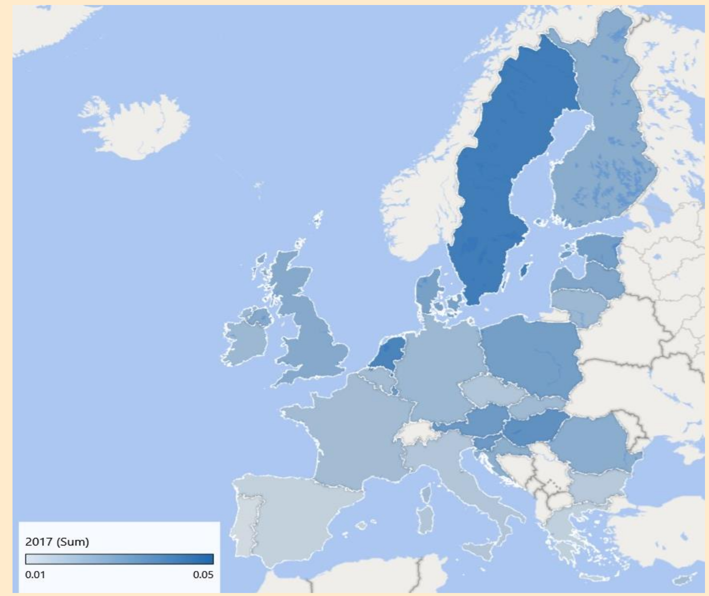
- Across Member States, the value added by the AVM industry represents, on average, 2.5% of the national value added
- The value added by AVM represents 7.6% of the Cypriot economy and 6.7% of the Maltese
- Finland (4.7%) and Latvia (4.4%) are other Member States where AVM represents more than 4% of the national economy in terms of value added

AVM COMPANIES REPRESENT, ON AVERAGE, 2.9% OF THE TOTAL NUMBER OF COMPANIES IN EACH MEMBER STATE

AVM share out of total employment (2017)



AVM share out of total number of companies (2017)



Key Observations

- Across Member States, the AVM share out of national employment is, on average, 2.1%
- The shares of AVM employment out of total national employment are the highest in Finland (3.5%), Latvia (3.3%) and Sweden (3.2%)

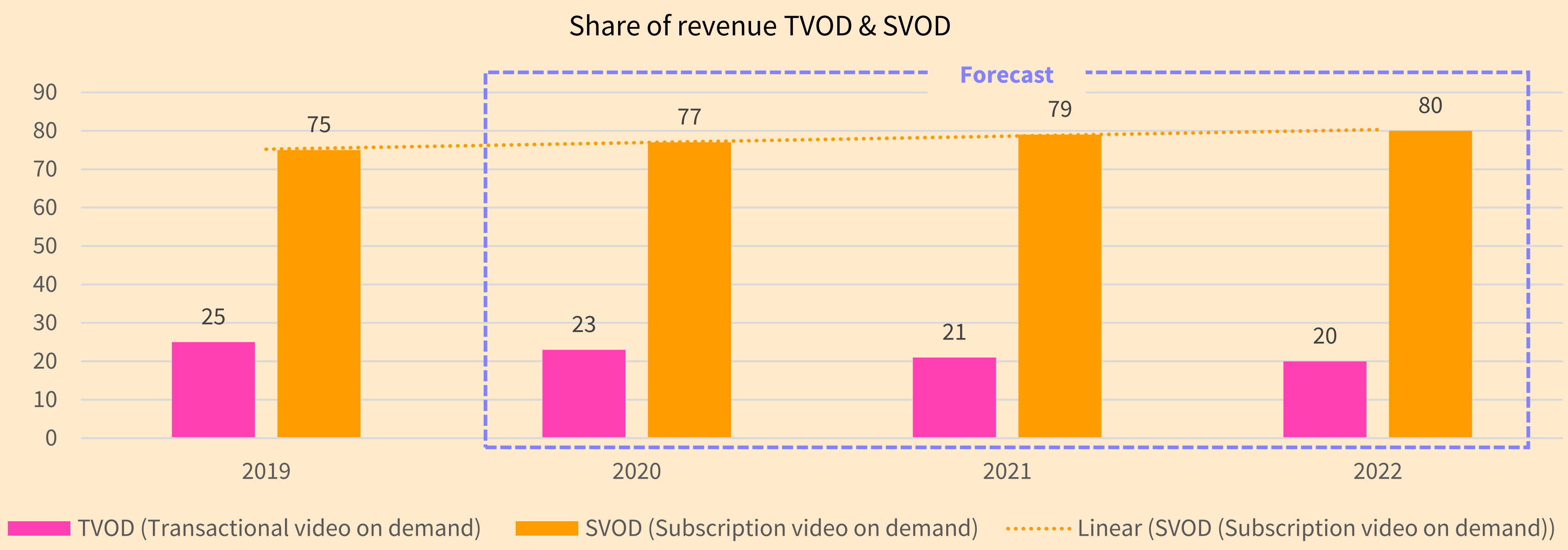
Key Observations

- On average, AVM companies represent 2.9% out of the total number of companies in each Member State
- The countries where AVM companies are more representative than the average are Sweden (5.4%), the Netherlands (5%) and Hungary (4.4%)

THE AVM SUBSECTOR

MAIN TRENDS

TREND 1: THE NUMBER OF SUBSCRIBERS TO SVOD IN EUROPE IS EXPECTED TO STEADILY GROW AND BECOME AN ADDITIONAL SOURCE OF REVENUES



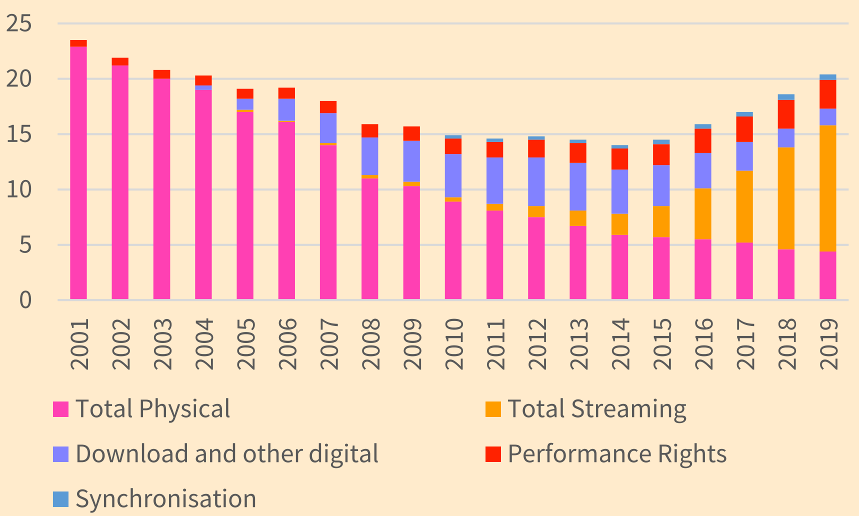
Key Observations

- In 2019, the number of subscribers to subscription video on demand (SVOD) in Europe significantly exceeded for the first time 100 million, following strong growth since 2010. Subscriptions now account for more than 80% of all VOD revenues.
- SVOD is forecast to see a further increase in its share of the market over the next few years. This would result in the transactional video on demand (TVOD) business model dropping to a 20% share by 2022. Trends indicate that pay-per-view access will become less important as subscription services increase in popularity.
- Following the migration of consumer preferences towards the Internet, advertising expenditures increased accordingly.
- VOD services increase the circulation of films across the EU and add 3 additional territories when compared with traditional cinema releases.

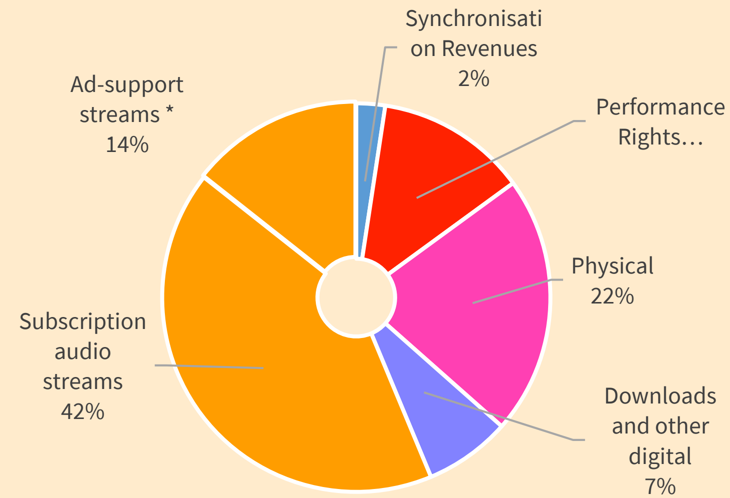
Source: Statista, EAO yearbook key trends 2019-2020

TREND 1: STREAMING ACCOUNTS FOR MORE THAN HALF OF GLOBAL RECORDED MUSIC REVENUES, DRIVING GROWTH IN THE EUROPEAN MARKET

Global Recorded Music Industry Revenues 2001-2019 USD billion



Global Recorded Music Revenue Segment – focus on 2019



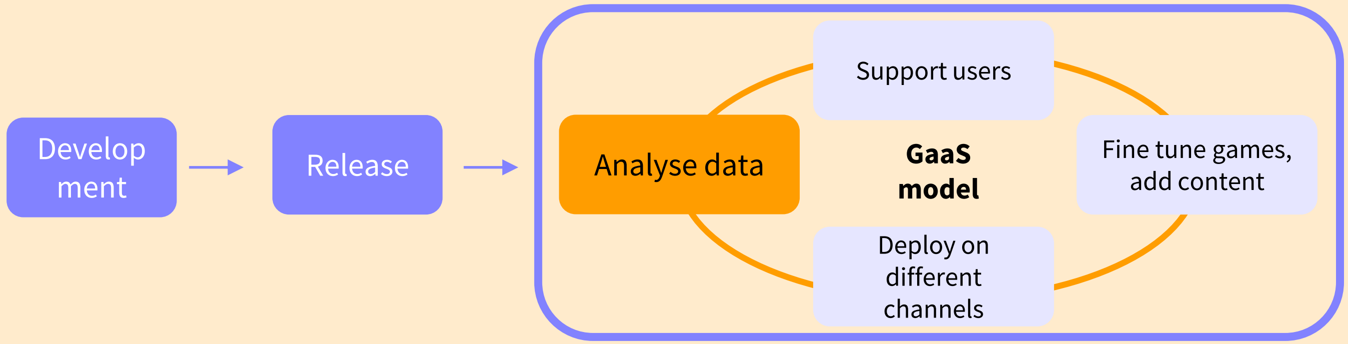
Includes ad-supported & video stream revenues

Key Observations

- Streaming revenues grew by 22.9% to US$11.4 billion and for the first time accounted for more than half (56.1%) of global recorded music revenues. The growth of streaming more than offset a -5.3% decline in physical revenues, a slower rate than 2018.
- This growth was driven by a 24.1% increase in paid subscriptions with nearly all markets reporting growth in this area. There were 341 million users of paid streaming services at the end of 2019 (+33.5%), accounting for 42% of total recorded music revenues.
- Europe, the world's second-largest region in terms of streaming, grew 7.2% – after seeing almost no growth in 2018 – with UK (+7.2%), Germany (+5.1%), Italy (+8.2%) and Spain (+16.3%) reporting strong growth.
- A few of the prominent on-demand music streaming platforms are Spotify, Apple Music, Deezer, Google Play Music, Sound Cloud, and Amazon Prime Music

Source: IFPI

TREND 1: IN THE MOBILE GAMES INDUSTRIES, AGILE BUSINESS MODELS ARE ADAPTING TO USER PREFERENCES



- Digital and especially mobile gaming allow for the deployment of in-depth data analytics tools in games. This in turn enables developers to capture players' feedback and behaviour in real-time, and therefore to improve the game quality and success.
- Business models are thus constantly advancing in order to fully adapt to user preferences. The subscription models that consolidated in the video and music sector have not yet taken off in the video games market, although new services have been released recently (e.g. Google Stadia, Apple Arcade or Playstation Now).
- The app ecosystem enabled shifting from the traditional games-as-a-product to a games-as-a-service (GaaS) model where a game is regularly updated and sustained for a longer period of time, which results in increased longevity and an extended monetisation window.
- The "free-to-play" model and digital sales are king in the mobile game industry, representing 80% of the revenue share of digital video games globally in 2018. This model relies on continuous game development and updates to content and features to keep the game fresh and players engaged and monetised for as long as possible. A game is developed and released on the app store where it can be downloaded for free and monetised through:
- In-app purchases: players are encouraged to make micro transactions paying for premium content to access game items or to gain an advantage. In some cases payment unlocks whole sections of the game (Downloadable content i.e. DLC).
- Advertising: third-party paid advertisements are embedded in-game in the form of videos, banners and links; higher dependency in simpler casual games.

Source: own elaboration based on Ingenious (2019)

TREND 2: AVM IS ADOPTING SOLUTIONS TO BE MORE SUSTAINABLE AND IMPLEMENT GREENER PRODUCTION AND CONSUMPTION PRACTICES

- The AVM industries are a successful driver for growth and innovation across Europe, but they are also a non-negligible source of carbon emissions. For instance, AV productions require moving between locations and affect the environment through the use of transport, construction, lighting, catering and water.
- Although the shift from physical to digital media has reduced cost and plastic pollution, using music streaming services like Spotify and online gaming is also harmful for the environment in terms of energy consumption. The EU-funded Eureca project found that data centres for streaming in EU countries consumed 25% more energy in 2017 compared to 2014
- Some companies and creators have recognised the environmental impact of their activities and are committed to implement more sustainable production and consumption practices.

Examples	Short description
AV	The Interreg project "Green Screen" aims to facilitate the transition towards a greener European Audio-Visual industry by encouraging film and TV production companies and their suppliers to adopt green measures, train staff and create new jobs linked to sustainable working.
Music	The Green Room ("TGR") is a non-profit organisation based in France, developing tools and creative solutions to support a transition towards a more sustainable music industry without compromising the essence of artistic work. Since 2016, TGR co-creates solutions with associated musicians towards green touring (through the Green Your Touring! campaign), carrying out assessments, awareness-raising and operational training regarding sustainable practices for the music sector.

Sources: https://www.interregeurope.eu/greenscreen/; https://www.musicxgreen.com/;

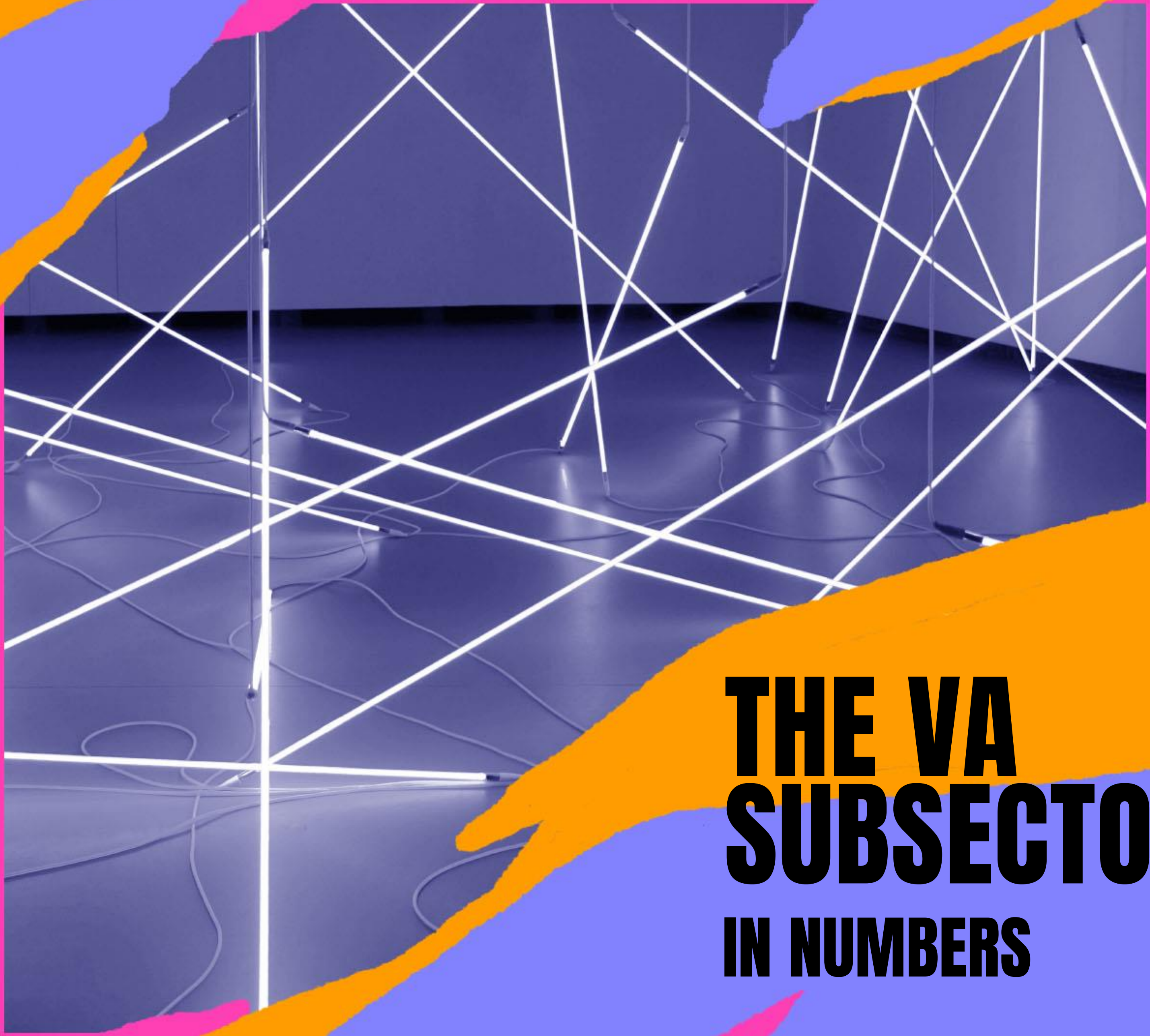
VISUAL ARTS (VA)
SECTION OVERVIEW

The VA subsector in numbers:

- Visual Arts contributed **EUR 41.6 billion to the EU value added in 2017** representing **0.6 %** of the **overall value added by the EU economy** and on average 0.5% of value added in each member state.
- The **workforce** of the Visual Arts subsector has **grown at a 3.9% CAGR** reaching **1.39 million workers in 2017** with **more than half a million Visual Arts companies** in the EU.

Trends shaping the VA subsector:

- **Digital sales of artworks** are on the rise as art galleries, auction houses and art fairs had to close down during the COVID-19 sanitary crisis.
- **Increased environmental awareness of consumers** is pushing the fashion industry towards rethinking established practices impacting the whole product lifecycle.

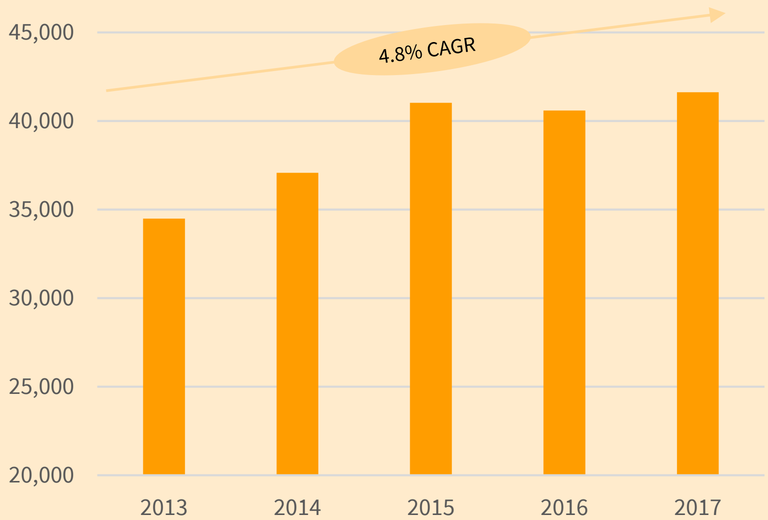


THE VA SUBSECTOR

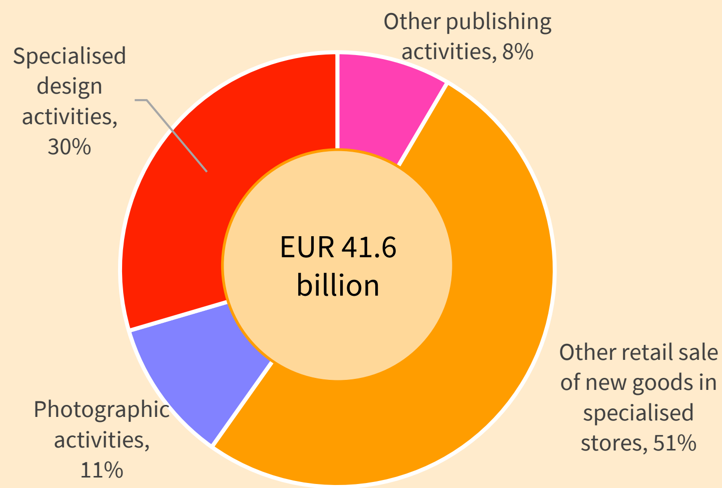
IN NUMBERS

VISUAL ARTS CONTRIBUTED EUR 41.6 BILLION TO THE EU VALUE ADDED IN 2017

Evolution of the Visual Arts subsector's value added (€ M)



Share of each economic activity out of the Visual Arts subsector's total value added (2017)



Key Observations

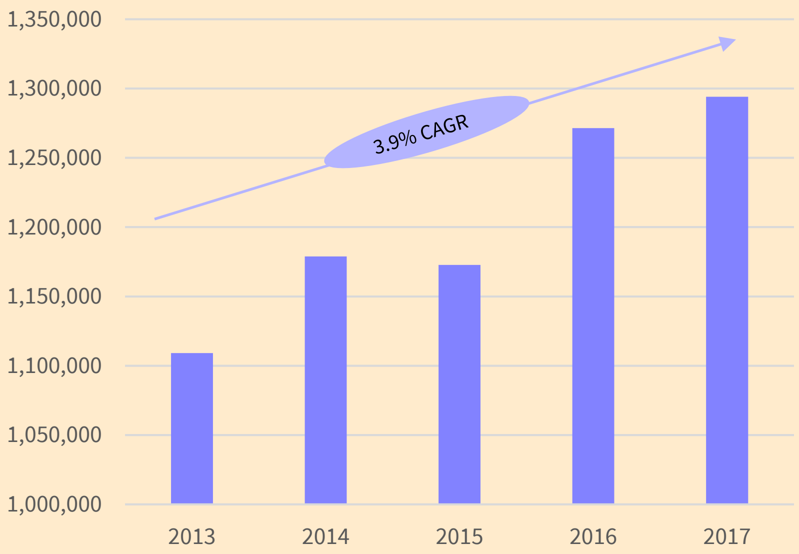
- The value added by the EU's Visual Arts subsector reached EUR 41,623 million in 2017. This is EUR 7,131 million more than in 2013
- Between 2013 and 2017, the value added generated by the EU's Visual Arts industry grew at a 4.8% CAGR

Key Observations

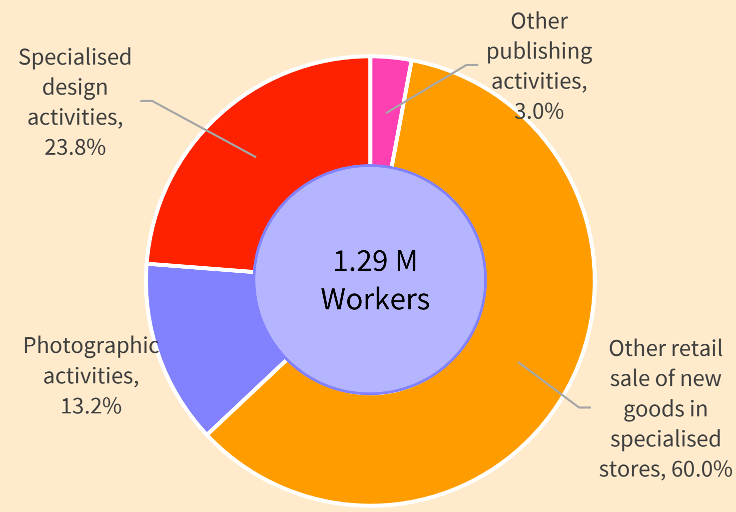
- "Other retail sale of new goods in specialised stores" is the main component of the EU Visual Arts industry, representing 51% of its value added. This activity includes for instance activities and retail and trade of services of commercial art galleries
- "Specialised design activities" (e.g. fashion design and fashion goods as well as industrial designs) (30%), "Photographic activities" (11%) and "Other publishing activities" (8%) account for the remainder of the subsectors value added

THE WORKFORCE OF THE VISUAL ARTS SUBSECTOR HAS GROWN AT A 3.9% CAGR

Evolution of employment in the Visual Arts subsector



Share of each economic activity out of the Visual Arts subsector's total employment (2017)



Key Observations

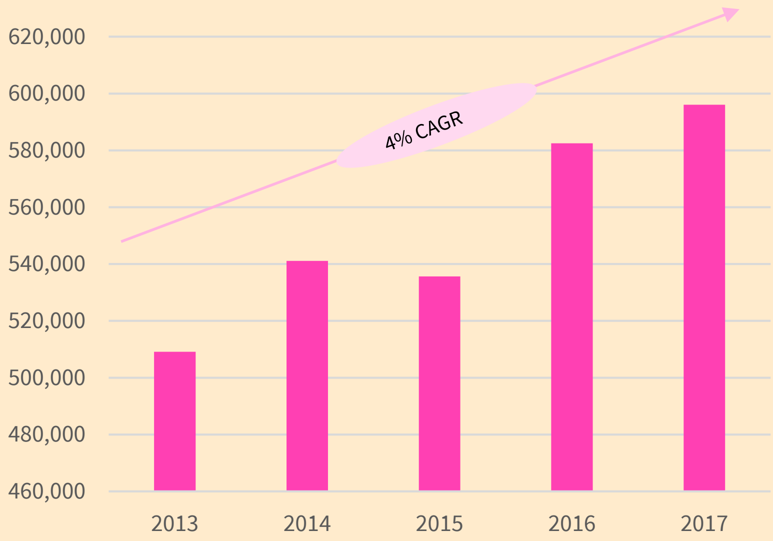
- The number of persons employed by the EU Visual Arts subsector reached 1,294,028 in 2017, 184,921 more than in 2013
- Between 2013 and 2017, the number of persons employed by the EU Visual Arts subsector grew at a 3.9% CAGR

Key Observations

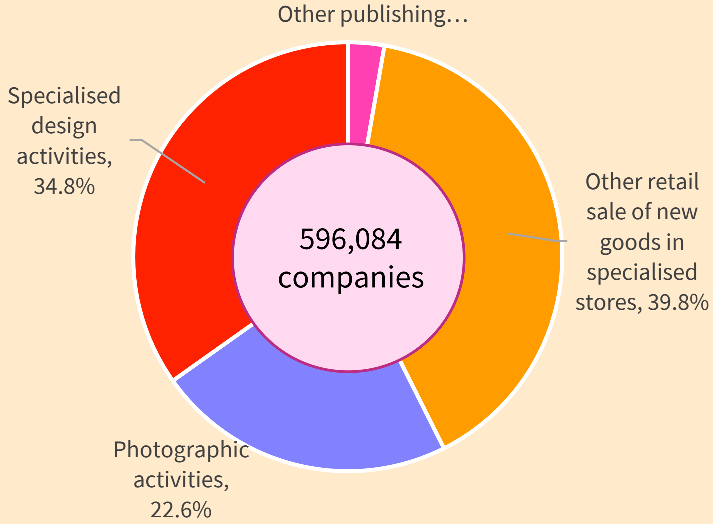
- With 60% of the industry's workforce, "Other retail sale of new goods in specialised stores" is the activity in which most Visual Arts workers are employed
- The remainder of Visual Arts workers are employed in "Specialised design activities" (23.8%), "Photographic activities" (13.2%) and "Other publishing activities"

THERE ARE MORE THAN HALF A MILLION VISUAL ARTS COMPANIES IN THE EU

Evolution of the number of companies in the Visual Arts subsector



Share of each economic activity out of the Visual Arts subsector's total number of companies (2017)



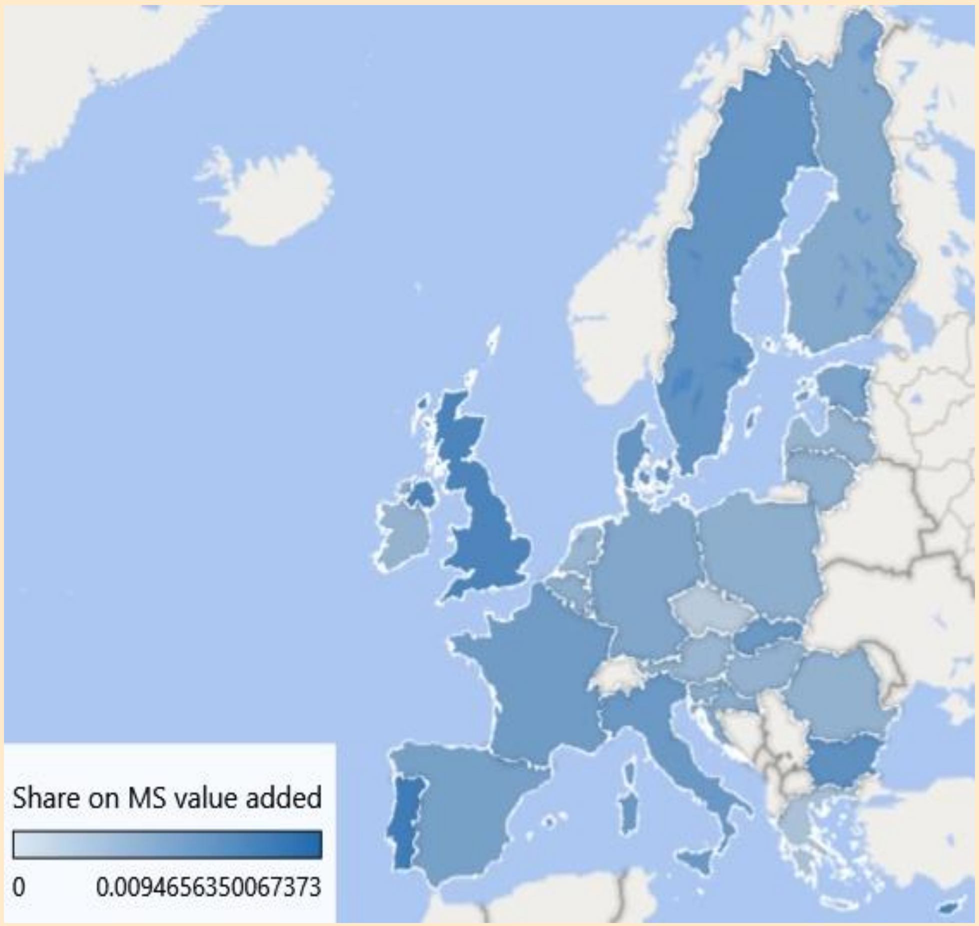
Key Observations

- The number of companies in the EU's Visual Arts subsector reached 596,084 in 2017, 86,973 more than in 2013
- Between 2013 and 2017, the number of EU Visual Arts companies grew at a 4% CAGR

Key Observations

- Although in terms of value added and employment "Other retail sale of new goods in specialised stores" represents more than half of this subsector, in terms of number of companies it corresponds to only 39.8%
- "Specialized design activities" (34.8%), "Photographic activities"(22.6%) and "Other publishing activities" (2.7%) combined represent more than half of the EU's Visual Arts companies

VISUAL ARTS CONTRIBUTE, ON AVERAGE, 0.6% TOWARDS VALUE ADDED OF EACH MEMBER STATES



Source: Eurostat
Note: data not available for MT

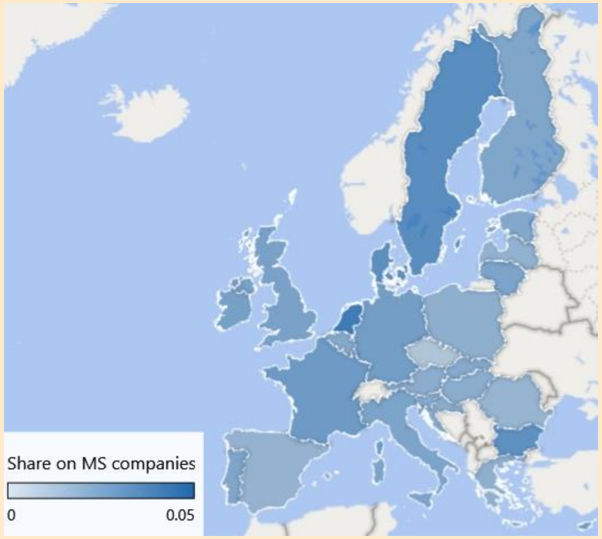
Key Observations

- Across Member States, the average contribution of Visual Arts to the national value added amounts to 0.6%
- This contribution of Visual Arts to the national economy is highest in Portugal, where it accounts for 1% of the national value added
- Cyprus (0.9%), the United Kingdom (0.9%) and Bulgaria (0.7%) are other member states where Visual Arts contribute more than 0.7% towards the national economy

VISUAL ARTS COMPANIES REPRESENT, ON AVERAGE, 2.3% OF THE TOTAL NUMBER OF COMPANIES IN EACH MEMBER STATE

Visual Arts share on employment (2017)

Visual Arts share on number of companies (2017)



Key Observations

- Across Member States, Visual Arts companies employ, on average, 0.9% of the national workforce
- With 1.5% of its workforce employed in the Visual Arts industry, Portugal is the Member State where Visual Arts has the highest relevance in terms of national employment
- Cyprus (1.4%) and Bulgaria (1.4%) are the other Member States where Visual Arts employ more than 1.4% of the national workforce

Key Observations

- On average, Visual Arts companies represent 2.3% of the number of companies across the EU Member States
- The Netherlands is the Member State where Visual Arts companies have the highest share out of the total number of companies (4.6%). It is followed by Sweden (3.7%), Denmark (3.6%) and Bulgaria (3.5%)

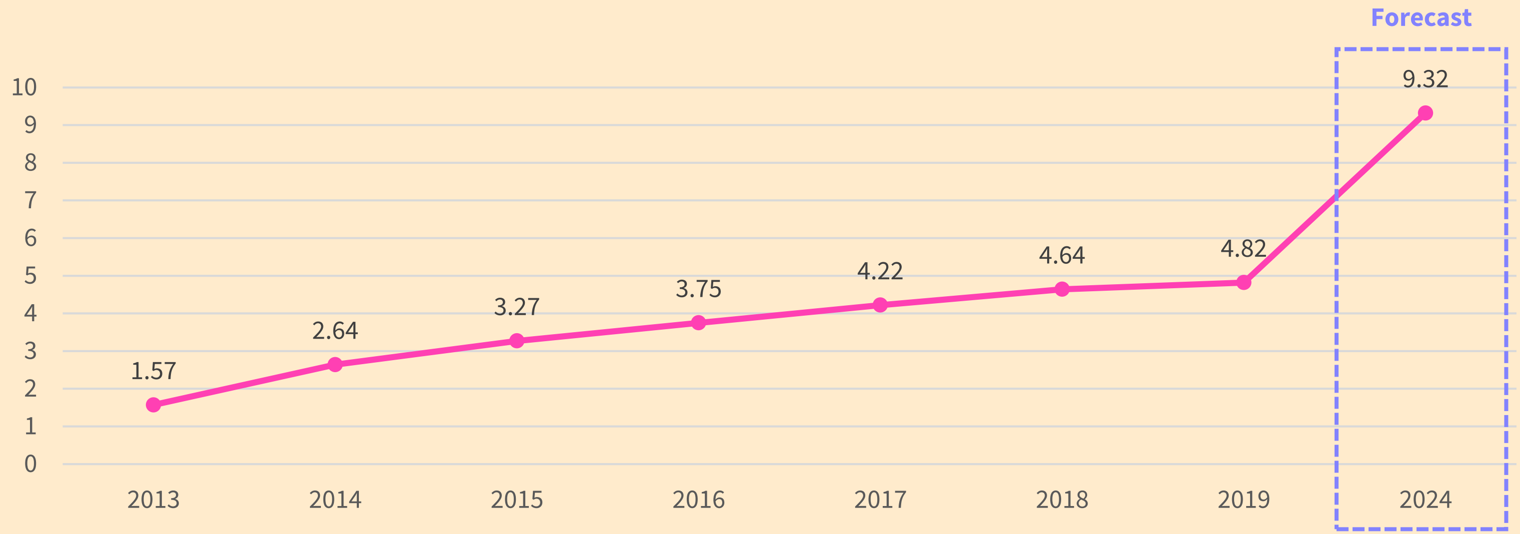
Source: Eurostat
Note: data not available for MT

THE VA SUBSECTOR

MAIN TRENDS

TREND 1:THE VISUAL ARTS MARKET IS INCREASINGLY SHIFTING TO DIGITAL SALES

Estimated value of the online art sales (2013-2024) in billions dollars



Key Observations

- The rise of the internet highly influenced the growth of the art e-commerce and auction market, especially over the past five years.
- Social media might also have played a role, with art galleries and artists promoting and selling artworks online. Instagram is becoming particularly popular: one example is a Jean-Michel Basquiat's painting of boxing champion Sugar Ray Robinson which was sold via Instagram for USD 24 million.
- Going forward and as art galleries, auction houses and international art fairs closed down during the COVID-19 crisis, online sales of artworks increased globally and are expected to increase further in the future.

Source: STATISTA

TREND 2: INCREASED ENVIRONMENTAL AWARENESS OF CONSUMERS IS PUSHING THE FASHION INDUSTRY TO RETHINK PRACTICES IN THE WHOLE PRODUCT LIFECYCLE

- In Europe, the amount of clothes bought per person has increased by 40% in the last twenty years, driven by a decrease in prices and the increased speed with which fashion is designed, created and delivered to consumers.
- Clothing accounts for between 2% and 10% of the environmental impact of the EU. Less than half of used clothes are collected for reuse or recycling when they are no longer needed, and only 1% are recycled into new clothes.
- Increased environmental awareness is pressing the fashion industry to rethink practices in the whole product lifecycle (resources, design, production, retail, consumption, end of life).
- New business models are emerging to extend the longevity of clothes, such as smart fashion (e.g. use of innovative long-lasting and eco-friendly materials); fashion as a service (clothing rental to increase the number of wears of particular items by using the principles of the sharing economy); slow fashion (production and consumption of fewer clothes of better quality).
- Other business models and practices are focusing on improving the re-use and recycling of materials following the principles of the circular economy, and raising consumer awareness (e.g. environmental labelling).

Examples	Short description
EU Ecolabel Clothing and textiles http://ec.europa.eu/ecat/category/en/14/textile-products	The European Eco-label of environmental excellence is awarded to products and services produced using high environmental standards. Among the criteria to assign the recognition, producers have to meet a limited use of substances harmful to health and environment, reduction in water and air pollution and several resistance parameters.
Closed Loop Fashion https://closedloopfashion.com/	Closed Loop Fashion is an organisation providing fashion industry tools to understand and implement circular business models from the supply-chain management to the waste production stage.
Giorgio Armani https://www.armani.com/experience/it/corporate/social-responsibility/	Giorgio Armani was among the first influential designers to highlight the green challenge for the fashion industry and apply the concept of sustainability to the durability of the clothes.

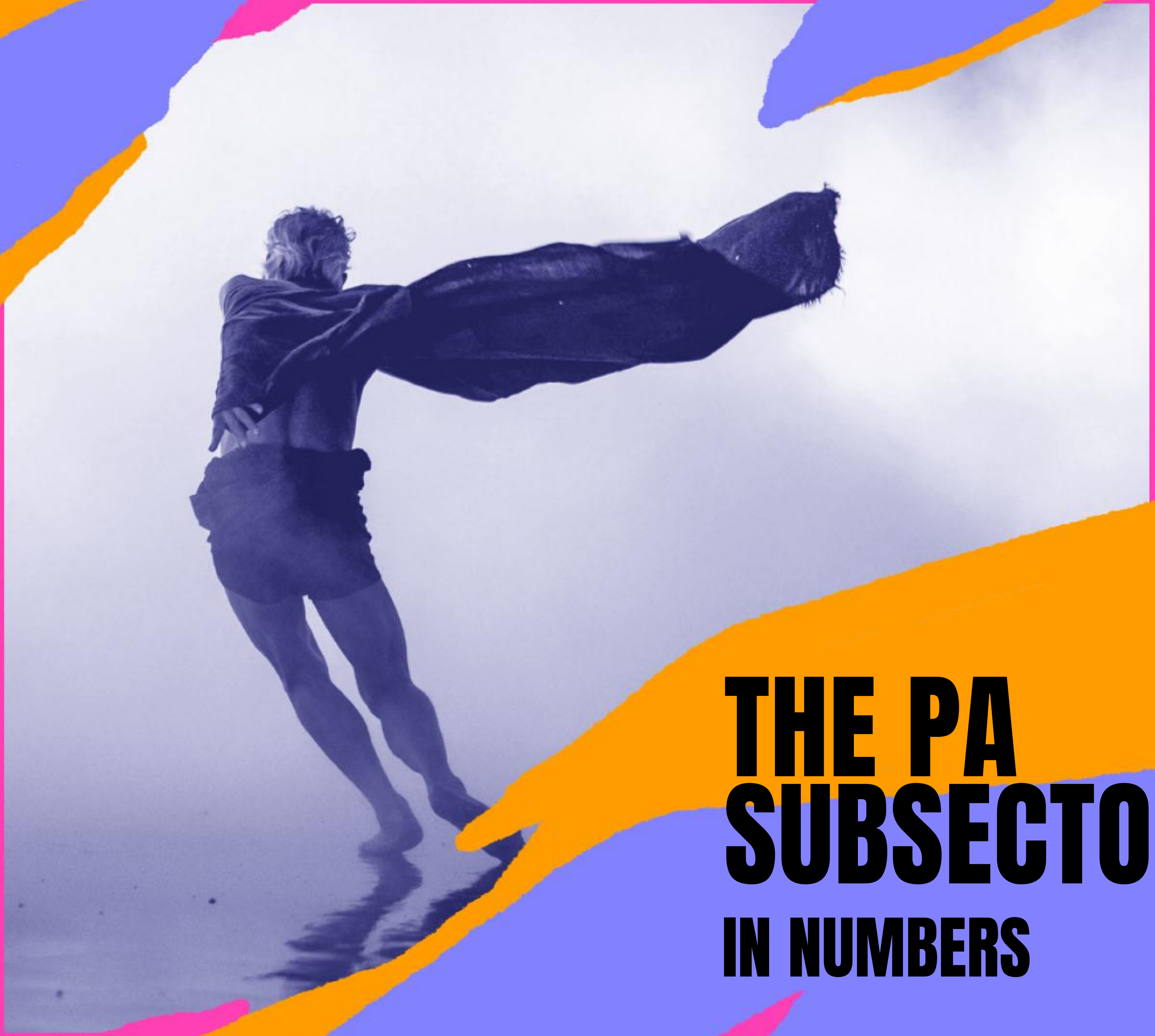
PERFORMING ARTS (PA)
SECTION OVERVIEW

The PA subsector in numbers:

- The **value added** by the Performing Arts subsector has **grown at a 8.6% CAGR** between 2013 and 2017, the strongest among all CCS subsectors **reaching EUR 44.7 billion in 2017** and representing on average a **contribution of 0.6% towards each Member State's value added.**
- At a 9.4% CAGR, employment in Performing Arts **has grown more than in any other CC subsector** reaching **1.81 million workers in 2017** with a total of **814,530 companies** (on average 3.2% of companies in each Member State).

Trends shaping the PA subsector:

- **Uptake of digital tools**: advancements in digital technologies are opening the doors for **new ways of content production and distribution** making creative content available to larger audiences (e.g.: **on-demand experience for theatre**), as well as creating **more immersive experiences** which might attract non-traditional audiences (e.g.: **immersive virtual theatre**).
- **Digital consumption of performing arts content** generates new revenue opportunities.
- The performing arts sector **can inspire individual and societal change towards environmental sustainability.**

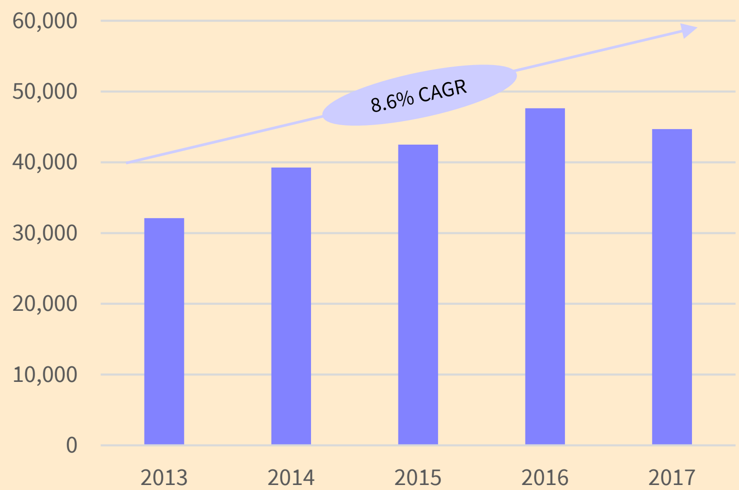


THE PA SUBSECTOR

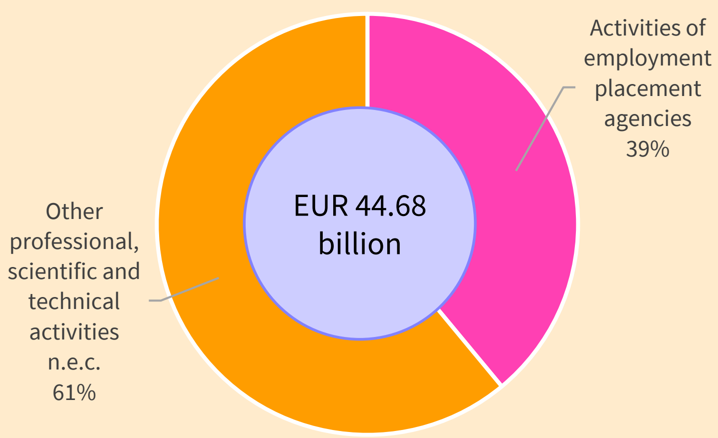
IN NUMBERS

THE VALUE ADDED OF THE PERFORMING ARTS SUBSECTOR HAS GROWN AT A 8.6% CAGR, THE STRONGEST AMONG ALL CCS SUBSECTORS

Evolution of the industry value added (€ M)



Share of each economic activity out of the Performing Arts subsector's total value added (2017)



Key Observations

- The value added by the EU Performing Arts subsector reached EUR 44,686 million in 2017, EUR 12,572 million more than in 2013
- Between 2013 and 2017, the value added generated by the EU Performing Arts industry grew at a 8.6% CAGR, the strongest growth among CCS subsectors

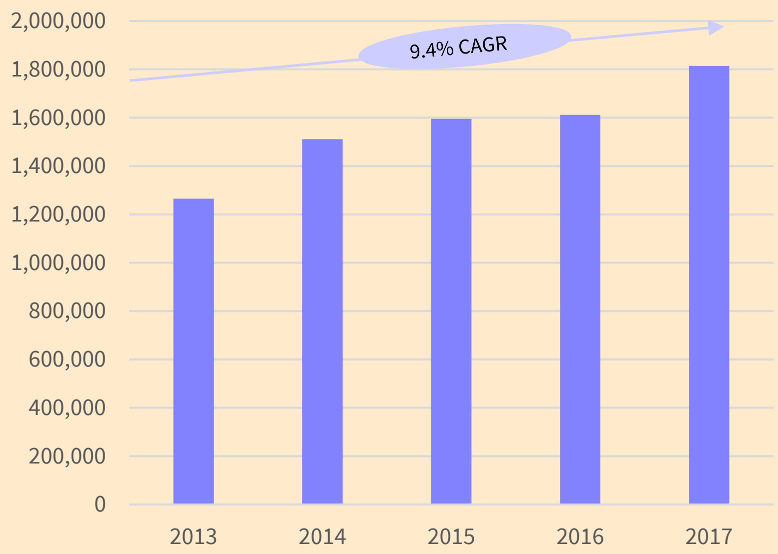
Key Observations

- "Other professional, scientific and technical activities n.e.c." is the main economic activity of the EU's Performing Arts subsector, representing 61% of its value added. This includes notably activities carried out by agents and agencies on behalf of individuals involving the obtaining of engagements in theatrical productions
- "Activities of employment placement agencies" represent 39% of the industry's value added. These include for instance activities of theatrical casting agencies

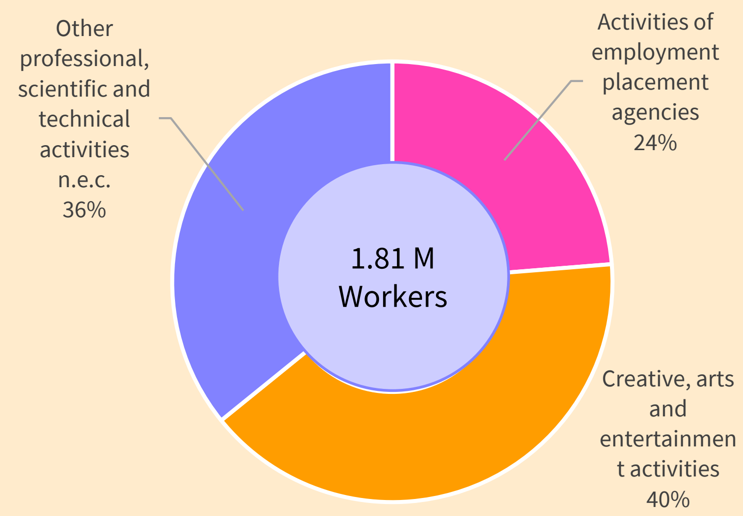
Notes: Value added data not available for "Creative, arts and entertainment activities, Nace code R90.01 (Performing Arts), R90.02 (Support activities to Performing Arts) and R90.04 (Operation of arts facilities)". The overall value added figure of EUR 44.68 billion is thus underestimating the true size of the sector.

AT A 9.4% CAGR, EMPLOYMENT IN PERFORMING ARTS HAS GROWN MORE THAN IN ANY OTHER CC SUBSECTOR

Evolution of employment in the Performing Arts subsector



Share of each economic activity pit of the Performing Arts subsectors total employment (2017)



Key Observations

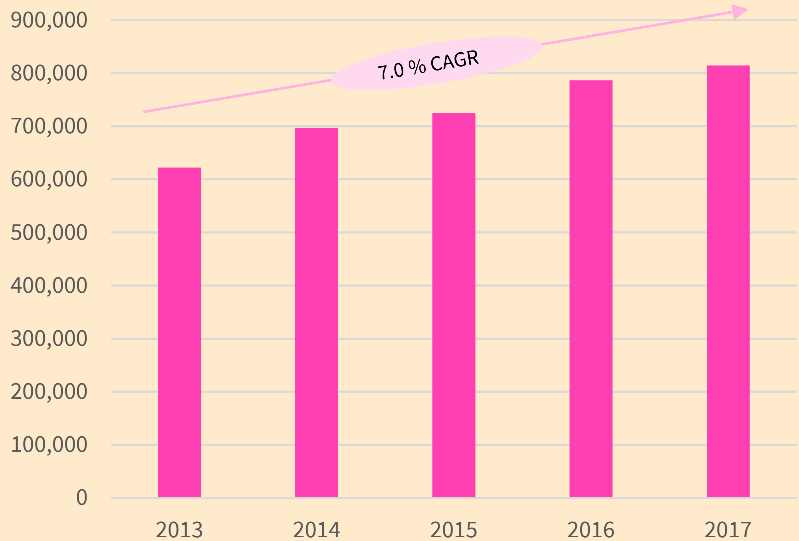
- The number of workers employed by the EU's Performing Arts subsector reached 1,814,367 in 2017, 549,512 more than in 2013
- Between 2013 and 2017, the number of persons employed by the EU Performing Arts subsector grew at a 9.4% CAGR

Key Observations

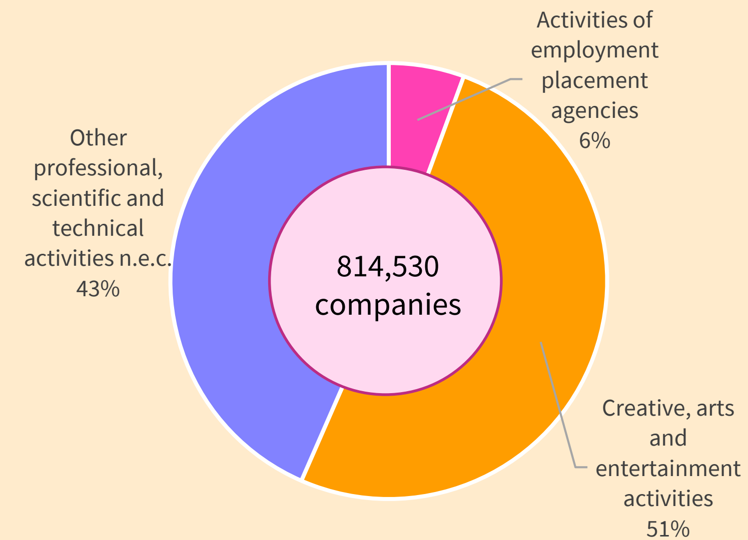
- Employing 40% of the subsector's workers "Creative, arts and entertainment activities" is the main economic activity in terms of employment. This segment includes activities of performing artists (e.g. actors, dancers orchestras etc.), support activities to performing arts (e.g. activities of directors, producers, stage-set designers etc.) and the operation of arts facilities (e.g. concert and theatre halls).

THE EU'S PERFORMING ARTS SUBSECTOR CONSISTS OF 814,530 COMPANIES

Evolution of the number of companies in the Performing Arts subsector



Share of each component on industry's number of companies (2017)



Key Observations

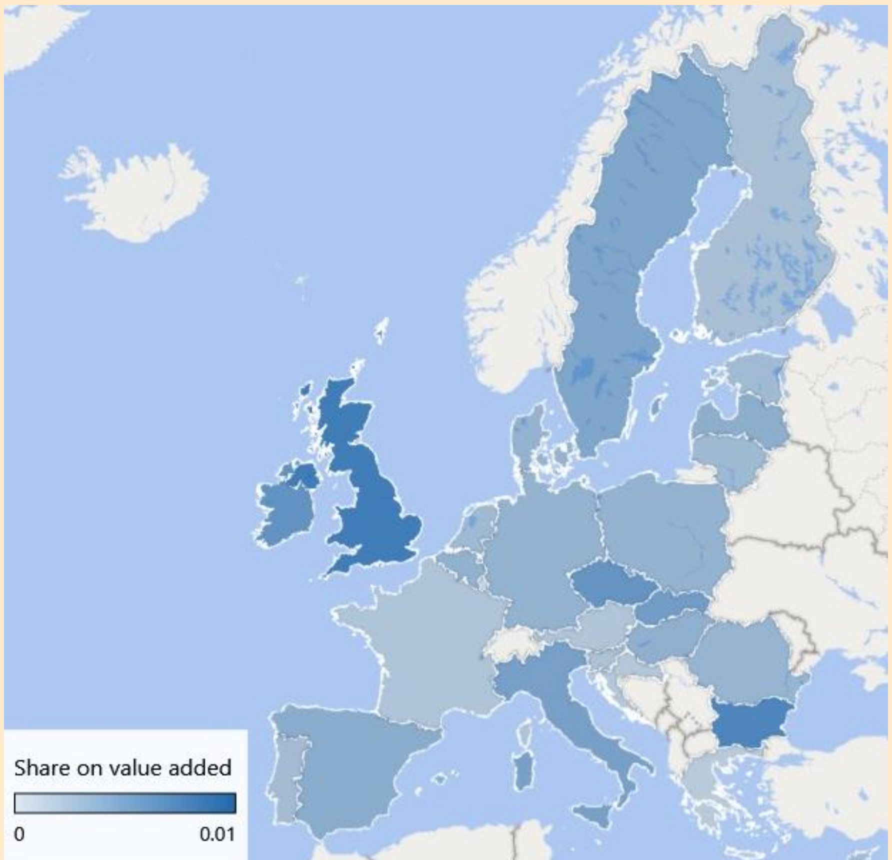
- The number of companies in the EU's Performing Arts subsector reached 814,530 in 2017, 192,332 more than in 2013
- Between 2013 and 2017, the number of the EU's Performing Arts companies grew at a 7% CAGR

Key Observations

- More than half (51%) of the Performing Arts companies develop "Creative, arts and entertainment activities"
- "Other professional, scientific and technical activities n.e.c." represent 43% of the Performing Arts companies, while "Activities of employment placement agencies" correspond to 6%

PERFORMING ARTS CONTRIBUTE, ON AVERAGE, 0.6% TOWARDS VALUE ADDED IN EACH MEMBER STATE

Share of value added in each MS (2017)



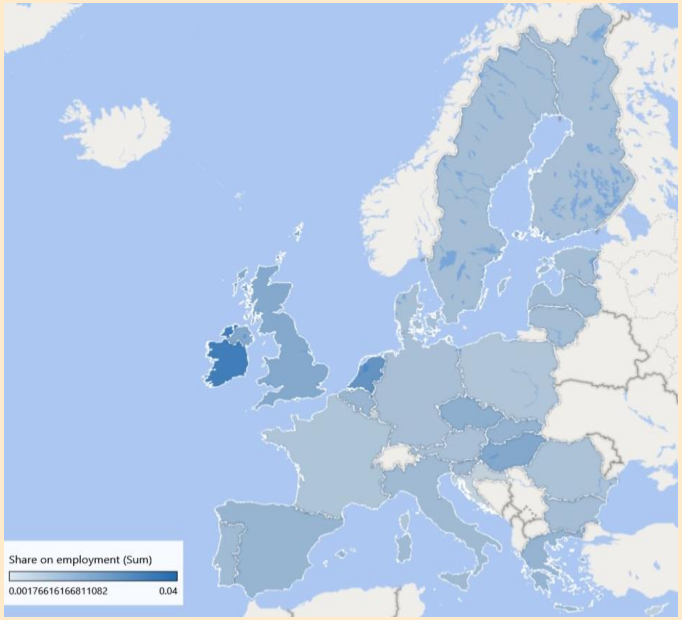
Key Observations

- Across Member States, the Performing Arts subsector represents, on average, 0.6% of the national value added
- The Performing Arts industry is most relevant for the UK's economy, where it amounts to 1.3% of the national value added
- Other countries where the Performing Arts share on the national value added are higher than the EU average are:
  - Bulgaria (1.1%),
  - Ireland (0.9%),
  - Czech Republic (1%),
  - Slovakia (0.8%),
  - Italy (0.7%),
  - Sweden (0.6%),

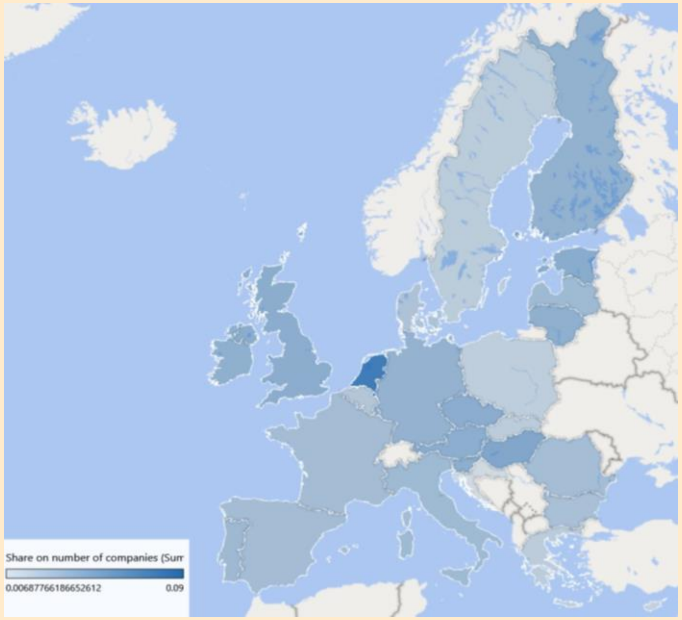
Source: Eurostat, Value added data not available for "Creative, arts and entertainment activities". The overall value added figure of EUR 44.68 billion is thus underestimating the true size of the sector in terms of value added. Note: data not available for MT

ON AVERAGE, THE PERFORMING ARTS SUBSECTOR REPRESENTS 3.2% OF COMPANIES IN EACH MEMBER STATE

Performing Arts share of total employment (2017)



Performing Arts share of total number of companies (2017)



Key Observations

- On average, Performing Arts employees represent 1.2% of the workforce in each Member State
- The highest shares of Performing Arts employment out of national employment is found in Ireland (3.7%), the Netherlands (2.7%) and Hungary (1.9%)

Key Observations

- On average, Performing Arts companies represent 3.2% of the total number of companies in each Member State
- The highest shares of Performing Arts companies out of the total number of companies is found in the Netherlands (9.4%), Hungary (5%) and Estonia (4.5%)

Source: Eurostat
Note: data not available for MT neither CZ

THE PA SUBSECTOR

MAIN TRENDS

TREND 1: DIGITAL TOOLS INFLUENCE NEW FORMS OF PRODUCTION AND CROSS-MEDIA EXPERIMENTATION

- Performing arts organisations are increasingly making use of the potential of digital tools for new forms of experimentation and cross-media production. Examples include the use of computer graphics, 3D elements or holograms to create immersive 'digital theatre' experiences for the audience.
- Online technologies and platforms can also support networking, exchanges and co-creation methods amongst theatre professionals.

Examples	Short description
Digital-based experimentation models	The unconventional company 'HumanMachine' (UK) has recently conceived a theatre production called 'Improbotics' that involves both human performers and machines.
Immersive storytelling and VR	At the National Theatre's Immersive Storytelling Studio in London, a "creative technologist" is an integral part of the development team, helping writers to find innovative narrative possibilities, sometimes before the infrastructure exists.
Collaboration tools	'MAINSTAGE.online' is an international project designed to unite the experts of stage systems and technologies from around the world to promote experimentation.

TREND 1: DIGITAL CONSUMPTION OF PERFORMING ARTS CONTENT GENERATES NEW REVENUE OPPORTUNITIES

- New distribution channels (web platforms, mobile devices) increase opportunities for theatre consumption and audience outreach by breaking down physical barriers.
- Artificial intelligence-based tools allow for automated translation and subtitling that may overcome linguistic barriers to international circulation of content.
- Digital tools pave the way for new monetisation strategies and revenue opportunities. The severe declines in revenues due to the COVID-19 pandemic urges performing arts institutions to find alternative revenue sources in addition to ticketing and public support.
- While online retransmissions are still mostly free of charge, new monetisation strategies have emerged, including subscriptions or rental of single productions through digital platforms.

Examples	Short description
Opera vision	Supported by the European Union's Creative Europe programme, OperaVision makes available a rich digital library of performances (opera, digital opera, concerts, dance) subtitled, on demand as well as other opera resources for beginners and professionals. Available in English, French and German. Features include streaming and podcasts.
Digital Theatre platform	Digital Theatre focuses on British productions, from Shakespeare to West End versions of Broadway shows. Subscriptions cost GBP 9.99 a month, but it is possible to rent a specific production for GBP 7.99 and up.
Marquee TV	Marquee offers dance, opera and theatre from around the world. Subscriptions normally cost USD 8.99 a month, but Marquee is offering 30 days for free.

Sources: KEA - Creative Value Chains

TREND 2: THE PERFORMING ARTS SECTOR CAN INSPIRE INDIVIDUAL AND SOCIETAL CHANGE TOWARDS ENVIRONMENTAL SUSTAINABILITY

- Performing arts can contribute to raising awareness on environmental issues and inspire individual and societal change. Several artists and performers have been exploring the topics of climate emergency, waste and other environmental concerns engaging the public to question the risks and take responsibility.
- Performing arts organisations are also redesigning their activities to align with demands of being more ecologically friendly and considerable of the climate change. Theatrical productions and live events can have a sizeable environmental footprint for instance in relation to energy consumption and use of disposable materials.
- The 'Green theatre', also called ecological theatre or Eco theatre, refers to either the practice of producing plays that educate and promote ecology or to sustainable and ecological practices implemented in theatrical productions.

Examples	Short description
Theatrical plays raising awareness on climate change	Theatre director Anne-Cécile Vandalem set one of her recent works 'Arctique' (Belgium) in a near future where ice melt would enable trade and luxury cruise ship routes through the Arctic Ocean, questioning the political and commercial exploitation of climate change.
Production companies reducing carbon emissions	Founded in 2011, the London Theatre Consortium (LTC) is a long-term collaborative programme to reduce carbon emissions and improve environmental sustainability across 14 London theatres. In 2017, LTC members effectively cut 20% of carbon emissions, saving GBP 383,000 in energy bills that were in turn invested in better thermal insulation and energy efficient electrical appliances in their buildings.
Green public procurement for festivals and live events	The EU-funded LIFE project 'GreenFEST' aims to train public authorities in Italy to choose more environmentally-friendly, sustainable goods when tendering for cultural events like music festivals, shows or exhibitions.

Source: KEA (2019) Culture and creative sectors in the European Union – Key future developments, challenges and opportunities

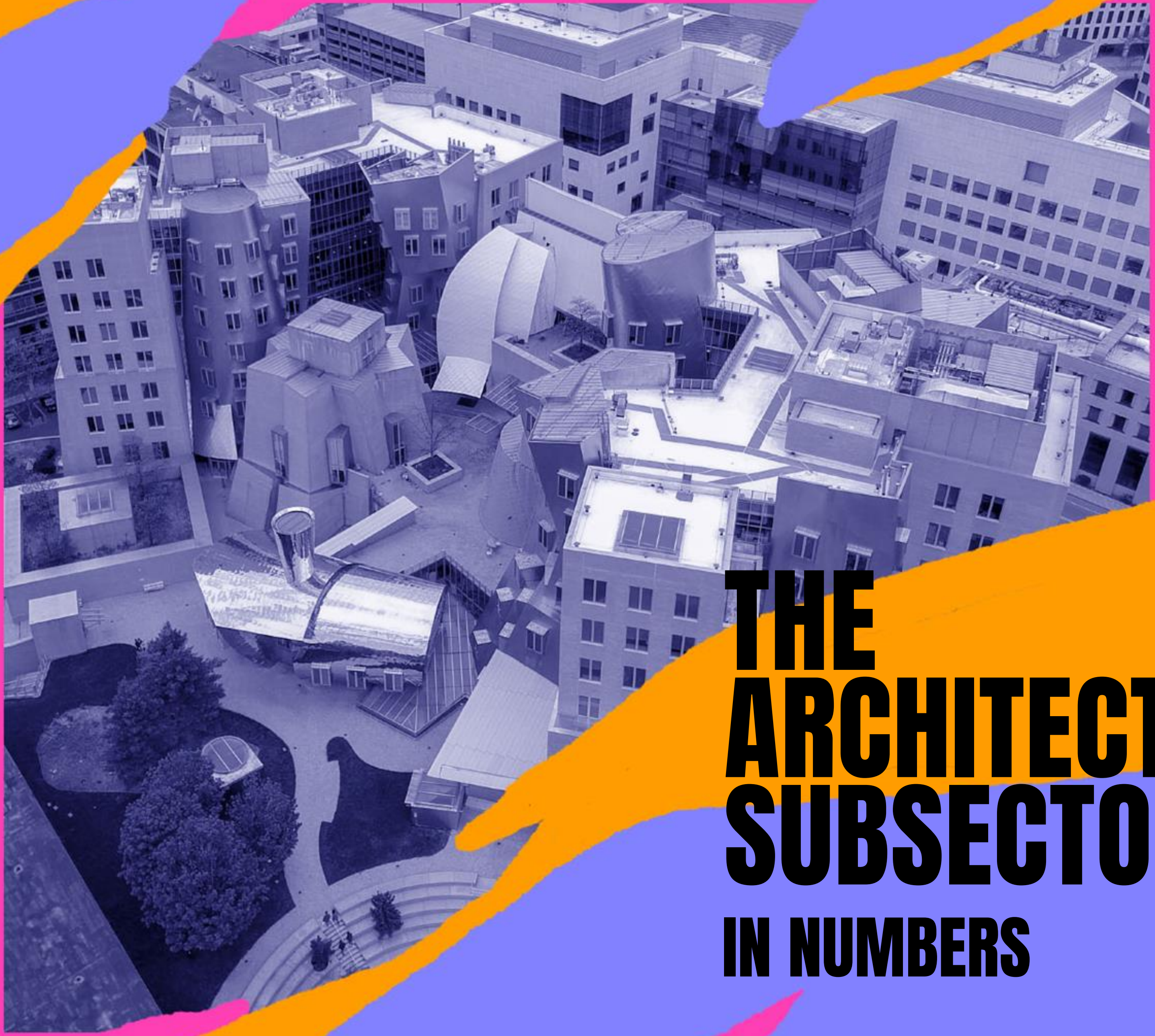
ARCHITECTURE
SECTION OVERVIEW

The Architecture subsector in numbers:

- The **value added** by the EU's Architecture subsector **has grown at a 6% CAGR between 2013 and 2017** reaching **EUR 27.8 billion in 2017**. This represents on average **0.4% of each Members State's value added**.
- There are **more than 300,000 architecture companies** in the EU employing approximately **612,000 workers**. Furthermore, companies active in the Architecture subsector represent, on average, 1.1% of the total number of companies in each Member State

Trends shaping the Architecture subsector:

- **New digital tools for architecture**: digital tools such as VR are becoming an integral part not only of project presentation but also of the design process. 3D printing, automation and Artificial Intelligence create new opportunities for architectural design and prototyping.
- **Uptake of sustainable architecture principles**: architecture is increasingly considering new practices to reduce the negative environmental impact of buildings by considering more efficient and eco-friendly uses of materials, energy, and relations with the surrounding space.

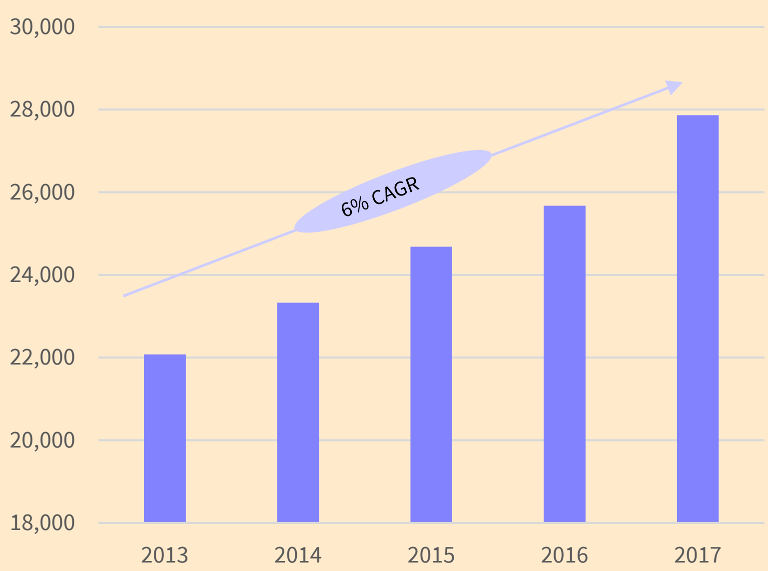


THE ARCHITECTURE SUBSECTOR

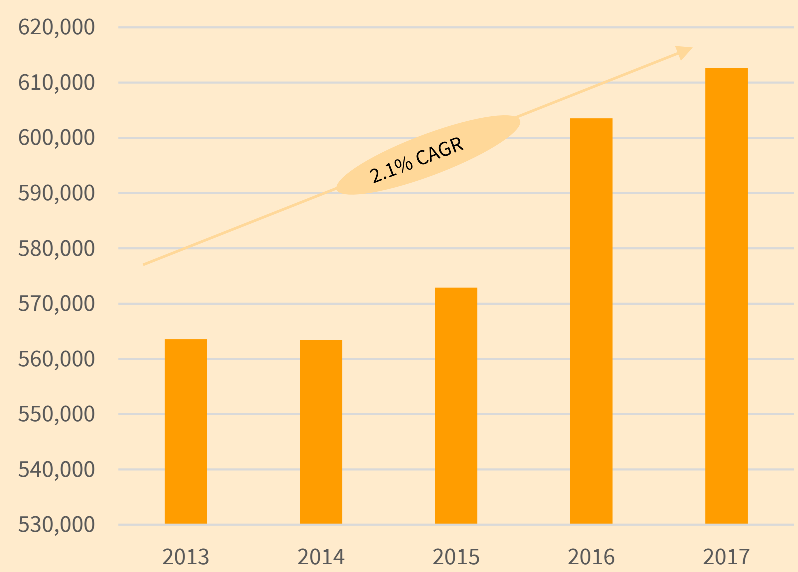
IN NUMBERS

THE VALUE ADDED BY THE EU'S ARCHITECTURE SUBSECTOR HAS GROWN AT A 6% CAGR

Evolution of value added (€ M)



Evolution of number of persons employed



Key Observations

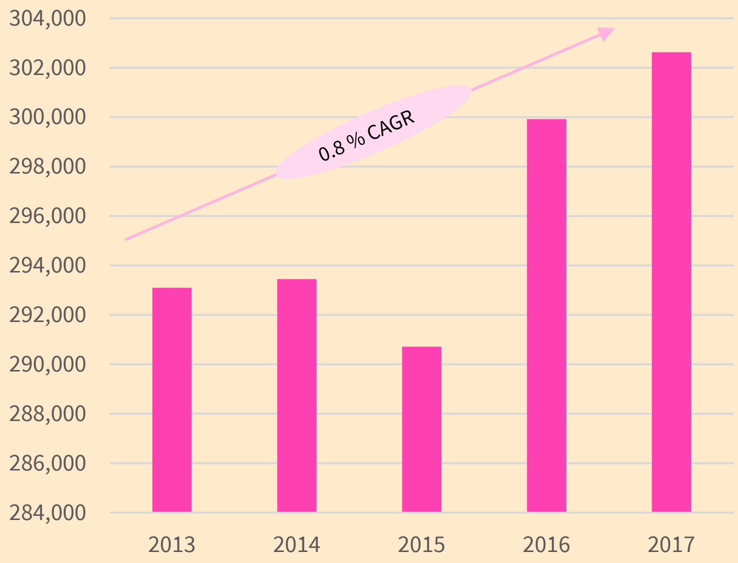
- The value added by the EU Architecture subsector reached EUR 27,866 million in 2017, EUR 5,788 million more than in 2013
- Between 2013 and 2017, the value added generated by the EU's Architecture subsector grew at a 6% CAGR

Key Observations

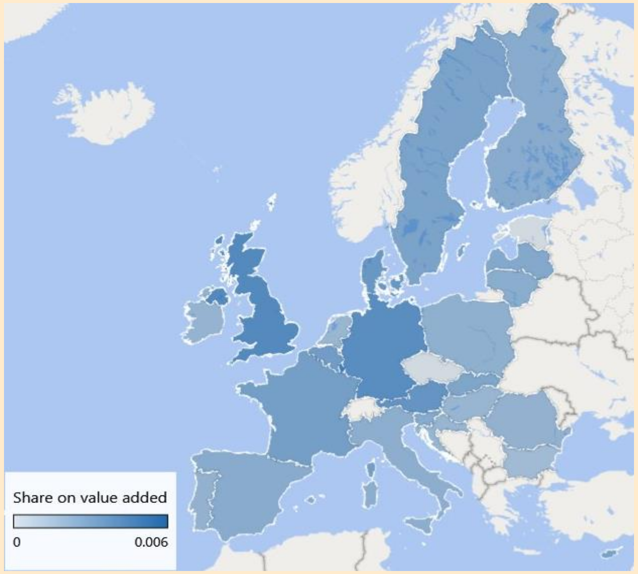
- The number of persons employed by the EU's Architecture subsector reached 612,584 in 2017, 49,048 more than in 2013
- Between 2013 and 2017, the number of persons employed by the EU's Architecture industry grew at a 2.1% CAGR

THERE ARE MORE THAN 300,000 ARCHITECTURE COMPANIES IN THE EU

Evolution of the number of companies in the Architecture subsector



Share of value added in each MS (2017)*



Key Observations

- The number of companies in the EU's Architecture subsector reached 302,622 in 2017, 9,529 more than in 2013
- Between 2013 and 2017, the number of EU Architecture companies grew at a 0.8% CAGR

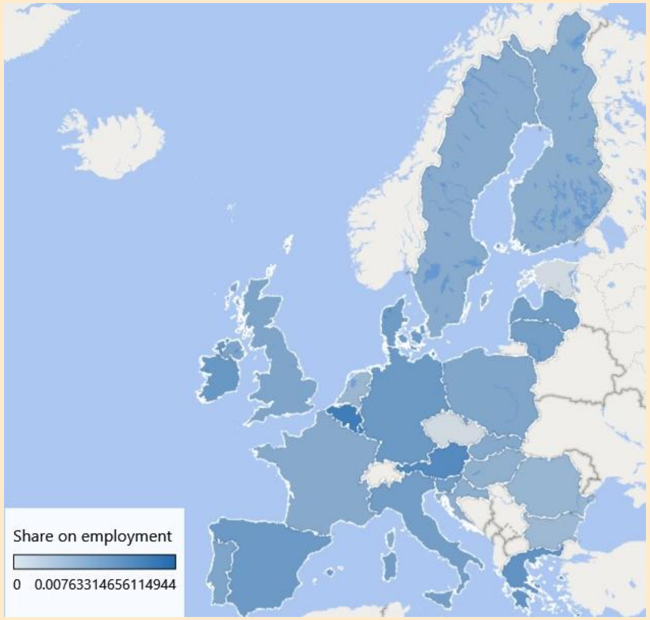
Key Observations

- Across Member States, the Architecture subsector contributes, on average, 0.3% to the national value added
- The sector is most relevant for the Luxembourgish economy, where it corresponds to 0.6% of national value added

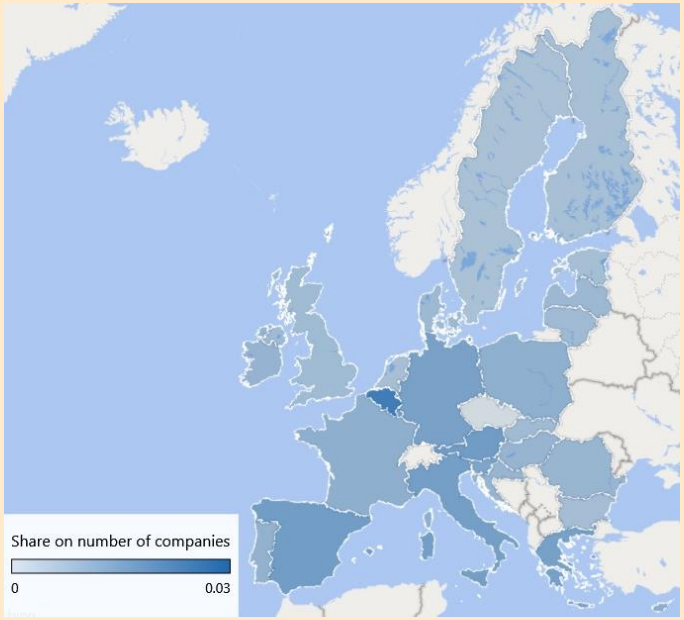
*Data not available for EE, MT, CZ

COMPANIES ACTIVE IN THE ARCHITECTURE SUBSECTOR REPRESENT, ON AVERAGE, 1.1% OF THE TOTAL NUMBER OF COMPANIES IN EACH MEMBER STATE

Architecture share of total employment (2017)



Architecture share of total number of companies (2017)



Key Observations

- On average, employees in the Architecture subsector represent 0.4% of a Member State's total workforce
- The highest shares of Architecture employees out of national employment is found in Belgium (0.8%), Luxembourg (0.8%) and Austria (0.6%)

Key Observations

- On average, Architecture companies account for 1.1% of the total number of companies in the Member States
- The highest shares of Architecture companies out of total number of companies is found in Belgium (2.8%), Austria (1.8%) and Spain (1.8%)

Source: Eurostat
Note: data not available for MT neither CZ

THE ARCHITECTURE SUBSECTOR

MAIN TRENDS

TREND 1: NEW DIGITAL TOOLS CREATE NEW OPPORTUNITIES FOR ARCHITECTURAL DESIGN AND PROTOTYPING

- Virtual Reality technology and 3D modelling represent an important driver of innovation in the architecture subsector, as they allow for more realistic representations of design projects. For instance, immersive technology can transport users into a fully interactive 3D environment, giving them the opportunity to explore a virtual representation of a particular room, floor, or building design as a whole.
- New technologies can also support architects to integrate new multimedia content (such as visual and textual data) into architecture practices.

Examples	Short description
V4Design project	V4Design aims to enable the re-use and re-purposing of multimedia content by proposing an innovative solution for its effective integration into architecture practices, such as 3D representations and VR environments.
Revit	Revit allows architect modeling in 3D with accuracy and precision across the project lifecycle: from the design phase to analysis of fabrication and construction.
Surveying App	This technology allows architects and designers to easily map and document the existing buildings through their phones or tablets thanks to infrared scanners, cameras and software.

TREND 1: NEW DIGITAL TOOLS CREATE NEW OPPORTUNITIES FOR ARCHITECTURAL DESIGN AND PROTOTYPING

- Sustainability is increasingly considered in the design of buildings, as owners become more aware of climate change and environmental issues. Collectively, buildings in the EU are responsible for 40% of our energy consumption and 36% of greenhouse gas emissions, which mainly stem from construction, usage, renovation and demolition.
- Architects are increasingly making use of eco-friendly solutions to improve energy efficiency (e.g. use of renewable energy sources, LED lightning), reduce water consumption and greenhouse emissions of the built environment, including the use of local and sustainable materials (such as timber and bamboo structures, recycled materials).
- Renovation, rehabilitation and adaptive re-use of buildings (for instance brownfields, industrial heritage spaces) is also a solution increasingly explored by architecture firms in collaboration with local authorities to reduce the environmental impact of new constructions while valorizing existing urban spaces.

Examples	Short description
Concert Hall "Latvija" & Ventspils Secondary School of Music– Ventspils (Latvia) https://www.haascookzemmrich.com/en/projekte/musik-schule-und-konzertsaal/	The building embraces innovative solutions to ensure low energy consumption and minimal greenhouse emissions. The ventilation system's intensity works in accordance with the level of C02 measured. The efficiency in energy consumption is assured by the latest weather information systems interacting with all the building equipment such as light and blinds and other control systems.
Quai Branly Museum – Paris (France) http://www.quaibranly.fr/en/public-areas/the-living-wall-of-greenery/	Quai Branly Museum features a 800-square-metre vegetation wall. Since the design of the project, international companies offered green wall installations (15,000 plants from Japan, China, Central Europe and the United States) with the aim to reduce greenhouse gas emissions by 70% in 2030 and preserve biodiversity.
Hub in the Ancient San Peters' Cloisters – Reggio Emilia (Italy) https://www.comune.re.it/retecivica/urp/retecivi.nsf/DocumentID/011C95FA82356B5DC125849B004B2370?Opendocument	The municipality restored the former Benedictine monastery of Saints Peter and Prospero (also known as Cloisters of San Pietro), an historical complex in the hearth of the city centre. The project consists in the adaptive re-use of the former Cloisters to host an urban 'Open Lab' and workspaces for creative businesses.

Source: European Commission, News 17 February 2020: "In Focus: Energy Efficiency in Buildings"

Heritage, archives and Libraries (HAL) SECTION OVERVIEW

The HAL subsector in numbers:

- The HAL subsector **employed 162,985 persons working in 15,111 companies in 2017** throughout the EU. For the period 2013 to 2017, both number of employees and number of companies grew at a respective CAGR of 3.2% and 2.2%.
- The **employment share of the HAL subsector** amounts, on average, to **0.1% out of total employment in the Member States** where the highest share can be found in the Netherlands (0.4%) and the UK (0.2%).

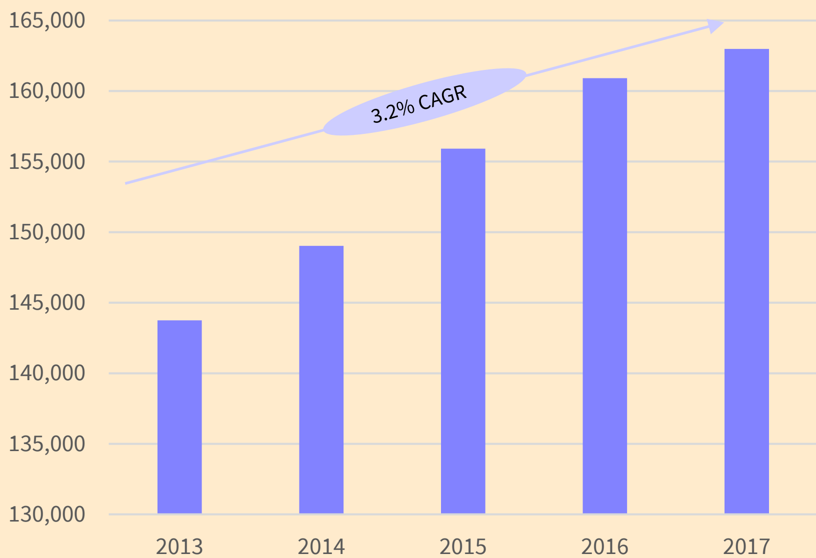
Trends shaping the HAL subsector:

- Cultural heritage institutions are expanding their **digital offering to enhance user experience and attract new audience**s.
- **Access and reuse of digital content** can generate additional revenue streams for heritage institutions.
- Beyond its cultural and social value, **cultural heritage drives territorial development and job creation in a variety of economic sectors**.
- European local authorities are diversifying **investment in their cultural heritage resources to increase territorial attractiveness**.

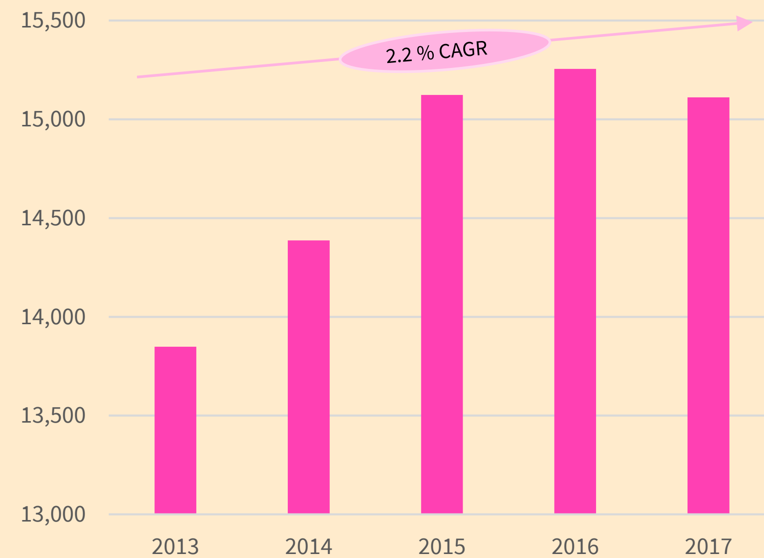
THE HAL SUBSECTOR
IN NUMBERS

THE HAL SUBSECTOR EMPLOYED 162,985 PERSONS WORKING IN 15,111 COMPANIES IN 2017 THROUGHOUT THE EU

Evolution of employment in the HAL subsector



Evolution the number of companies in the HAL subsector



Key Observations

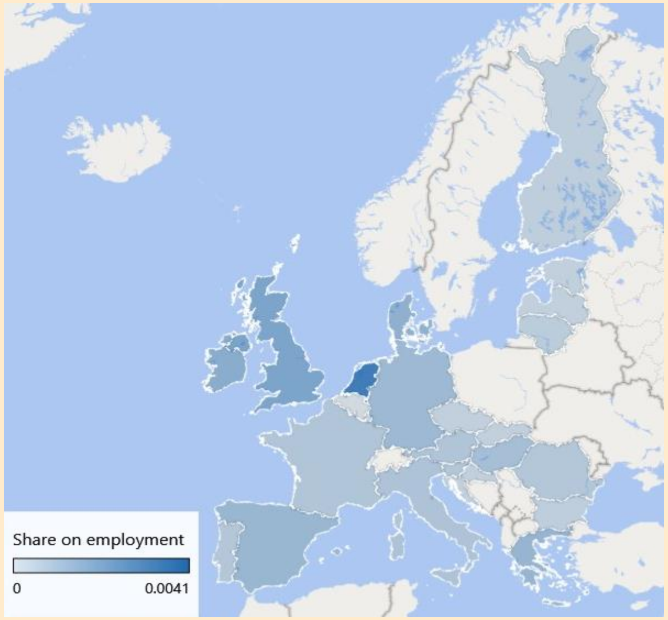
- The number of persons employed by the HAL subsector reached 162,985 in 2017, 19,238 more than in 2013
- Between 2013 and 2017, the number of persons employed in the HAL subsector grew at a 3.2% CAGR

Key Observations

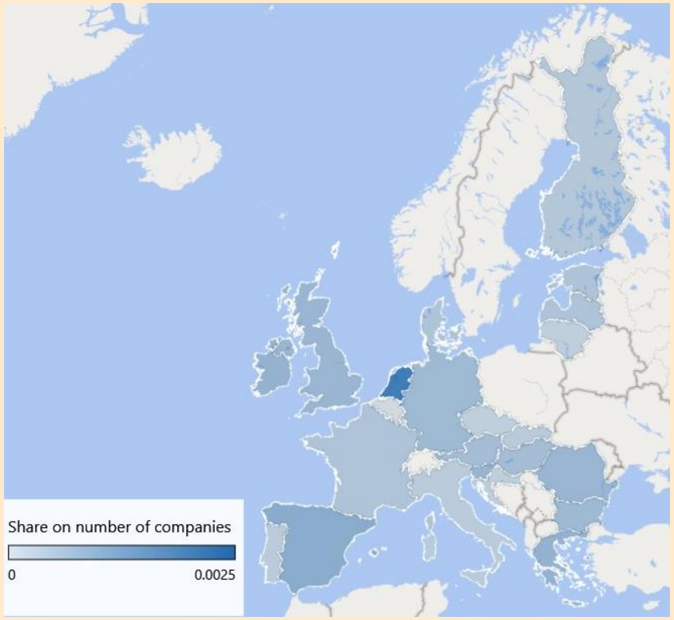
- The number of companies in the HAL subsector reached 15,111 in 2017, 1,162 more than in 2013
- Between 2013 and 2017, the number of companies in the subsector grew at a 2.2% CAGR
- The evolution of the number of companies within the subsector saw some volatility: after a steady growth until 2016 it dropped by 1% in 2017

THE EMPLOYMENT SHARE OF THE HAL SUBSECTOR AMOUNTS, ON AVERAGE, TO 0.1% OUT OF TOTAL EMPLOYMENT IN THE MEMBER STATES

HAL share of employment (2017)



HAL share of total number of companies (2017)



Key Observations

- On average, HAL employees represent 0.1% of a Member State's workforce
- The highest shares of HAL employment is found in the Netherlands (0.4%) and the UK (0.2%)

Key Observations

- On average, companies in the HAL industry account for 0.1% of the total number of companies in each Member State
- The highest shares of companies active in the HAL subsector out of the total number of companies are found in the Netherlands (0.3%) and Spain (0.1%)

Source: Eurostat
Note: data on employment is not available for BE, MT and LU. Data on number of companies is not available for BE and MT

THE HAL SUBSECTOR

MAIN TRENDS

TREND 1: CULTURAL HERITAGE INSTITUTIONS ARE EXPANDING THEIR DIGITAL OFFERING TO ENHANCE USER EXPERIENCE AND ATTRACT NEW AUDIENCES

- Museums, libraries and archives are increasingly making their collections digitally available. Europeana, Europe's digital heritage platform, currently provides access to over 58 million digitised cultural heritage records from over 3,600 cultural heritage institutions and organisations.
- Beyond digitalisation, online content is increasingly being made available in new formats such as 3D, Virtual Reality (VR) and Augmented Reality (AR) applications to enhance user experience and attract new audiences, both onsite and remotely.
- Cultural heritage institutions have made substantial efforts to further expand their digital offerings throughout the period of lockdown imposed by the COVID-19 pandemic: according to a survey* carried out by NEMO (the Network of European Museums Organisations), 70% of museums increased their use of social media (notably Facebook and Instagram) during the lockdown period.
- This trend opens up opportunities of deeper cross-sectorial collaborations with the AVM subsector as well as the ICT sector.

Type of digital offer	Short description & Examples
3D tours of Cultural Heritage sites	Archaeologists and 3D artists have recreated the ancient Split's Diocletian's Palace (Croatia) to offer visitors on site a unique 3D Virtual Reality experience.
Augmented reality apps to experience museum collections at home	The Albertina museum (Vienna, Austria) teamed up with the digital company Artivive to deliver an app to enhance artworks with animation and additional content. The free Artivive app is available on Google App Store or iTunes Store.
Immersive virtual tour of temporary exhibitions	Museo Nacional Thyssen-Bornemisza (Madrid, Spain) offers an immersive virtual tour of the temporary Rembrandt exhibition with an interactive guide.
3D collections available at home for remote engagement	The British Museum (London, UK) has made interactive 3D objects available to the public using sites like SketchFab. This content can be brought into an individual's home via desktop, VR, and AR. The Louvre (Paris, France) has brought the world-famous Mona Lisa out of the museum with the "Beyond The Glass" project.

* NEMO, Survey on the impact of the COVID-19 situation on museums in Europe, 2020

TREND 1: ACCESS AND REUSE OF DIGITAL CONTENT CAN GENERATE ADDITIONAL REVENUE STREAMS FOR HERITAGE INSTITUTIONS

- As heritage institutions are increasingly making their content available online, new revenue opportunities might arise from access and reuse of digital content. Additional revenue streams could contribute to partially compensate the declining of public funding and ticket sales losses imposed by the COVID-19 pandemic.
- Several museums are exploring the “virtual museum tour” model not only to keep their audiences engaged but also generating online ticket sales.
- Other forms of revenues could derive from licensing digital heritage content for new products and services.

Type of revenue stream	Short description & examples
Charge admission for online visits	Several European museums are offering pay-per-view services to visit temporary exhibitions or part of the collection. The Vatican Museum offers virtual tours to selected parts of its huge collection, such as the famous “Stanze di Raffaello”.
Charge admission for special online events	Heritage institutions are complementing their offering with special events / activities to be streamed through social media or websites. For instance, the National Czech & Slovak Museum & Library launched virtual cooking classes, where attendees have the opportunity to learn traditional Slavic recipes.
License digital heritage content	Several museums (Van Gogh Museum, Rijksmuseum, The British Library) are releasing content with open licensing actively encouraging reuse.
Introduce a Virtual Membership Level	Virtual membership can offer members-only digital events, which add new benefits to becoming a member even when the museum is physically closed or non accessible.
Explore on-demand model for digital products or services	Heritage institutions can offer a special catalogue of services or offerings including virtual courses and educational programs.
Monetise special interactions with staff	The Van Gogh Museum has started a program to offer its professional services to private collectors, corporations and other institutions.

TREND 5: BEYOND ITS CULTURAL AND SOCIAL VALUE, CULTURAL HERITAGE DRIVES TERRITORIAL DEVELOPMENT AND JOB CREATION

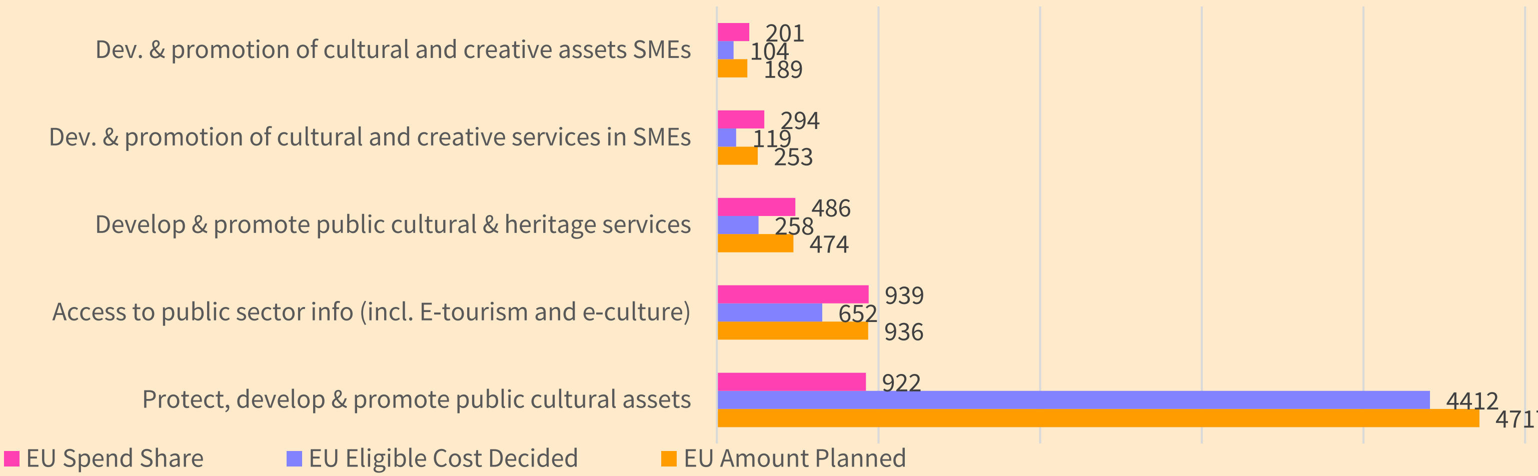
- Beyond its intrinsic value, cultural heritage matters in economic terms as a driver for locally rooted employment and economic activities in a variety of sectors, notably cultural tourism, construction and real estate. ICT and insurance companies are also important service suppliers to heritage sites, museums, libraries and archives.
- A study conducted in 11 European countries/regions in 2019 attempted to quantify the important contribution of material cultural heritage** (MCH) to the local economy and territorial development. Key findings show that MCH generates a Gross Value Added of EUR 32,445.6 million (3.4% of the total services economy, NACE codes H-N and S95). MCH also employs 549,003 Full Time Equivalent* (5.0% of the total services economy,), similar to the contribution made by the entire subsectors of support activities for transportation, cleaning activities or private security activities.
- Public expenditure in the heritage sector is estimated at EUR 447.9 million, and the value of volunteering work corresponding to EUR 171.2 million.

	KEY SECTORS, Impact						ANCILLARY SECTORS, Impact	
	Archaeology (Not captured by a NACE code)	Tourism (NACE I)	Architecture (NACE M71.11)	Museums, Libraries and Archives (NACE R91.01-R91.03)	Construction (NACE F43)	Real Estate (NACE L68.1)	Insurance (NACE J62, J63)	ICT (NACE K65.12)
Employment	10,502 persons	400,142 FTE	4,344 FTE	169,600 persons	135,050 FTE	1,989 FTE	2,093 FTE	5,385 FTE
Turnover (EUR M)	291.8	47,510.8	1,210.0	2,155.8	26,413.6	1,977.8	2,826.3	1,599.3
GVA (EUR M)	NA	20,507.8	658.1	NA	9,835.4	500.8	405.6	537.9

Source: ESPON, The Material Cultural Heritage as a Strategic Territorial Development Resource (2019)
* In addition, there were 180,102 persons employed in archaeology and museums, libraries and archives. Because of lack of data availability, these persons cannot be expressed in terms of Full Time Equivalent
** MCH is defined as objects of immovable (e.g. archaeological sites, cultural landscapes, etc.) and movable (e.g. paintings, books, etc.) nature recognised as having heritage value in each country/region, including historical building stocks

TREND 5: EUROPEAN LOCAL AUTHORITIES ARE DIVERSIFYING INVESTMENT IN THEIR CULTURAL HERITAGE RESOURCES

2014-2020 Investment in culture and heritage actions (ERDF)*



Key Observations

- In the period 2014-2020, around EUR 4.7 billion of European Regional Development Fund (ERDF) were earmarked for investment in cultural heritage with a view to support job creation, enhance territorial attractiveness and regional development.
- More than 90 regions have included culture and cultural heritage in their Smart Specialisation Strategy.
- While the large majority of investment is focused on the protection, development and reuse of heritage sites, other investment areas are emerging, such as e-culture applications and the development of cultural and heritage services.
- As pressure from growing tourism challenges the quality of experience and the livelihood of many European cities, the valorisation and promotion of cultural heritage resources could boost proximity tourism in peripheral and rural areas.

Sources: European Commission, European Structural and Investment Fund data
*Legend notes: EU Amount Planned: EU budget contribution allocated – EU Eligible Cost Decided: estimated EU contribution allocated to specific operations (based on total cost reported) – EU Spend Share: estimated EU contribution spent by projects and reported to the programmes

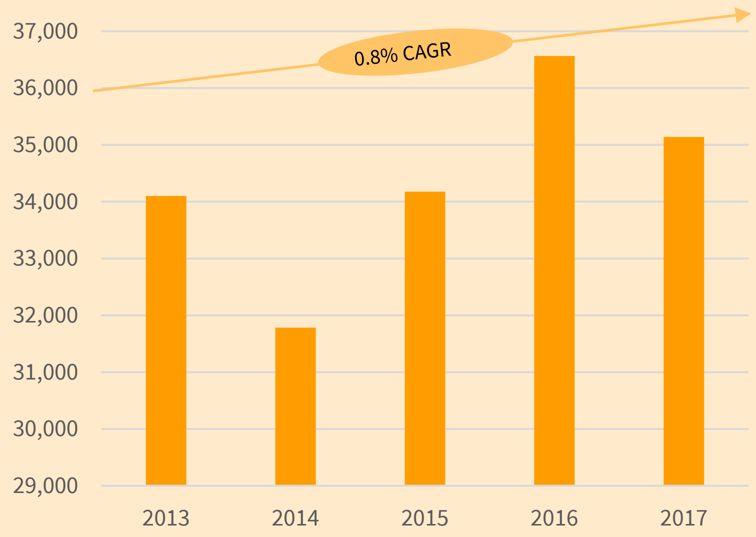
OTHER CCS ACTIVITIES
SECTION OVERVIEW

The Other CCS activities subsector in numbers:

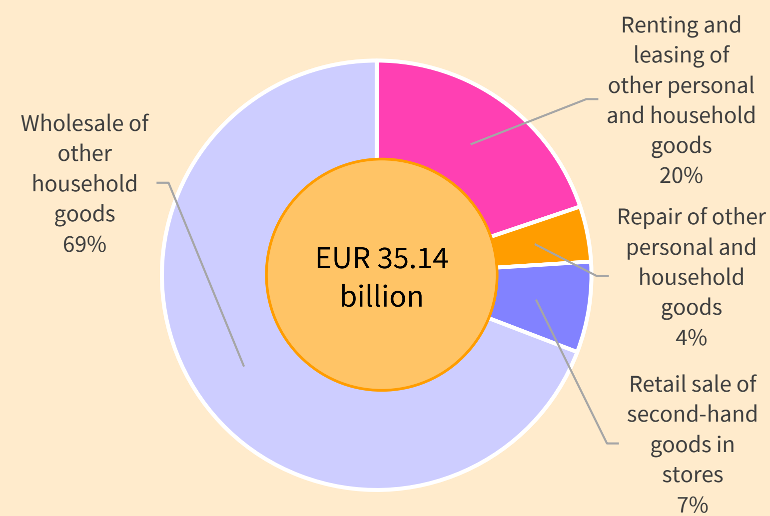
- The value added of the Other CCS activities subsector has moderately grown at a 0.8% CAGR, between 2013 and 2017 reaching EUR 35 billion in 2017. On average this subsector contributes 0.5% towards a Member State's value added.
- Employment in the subsector also showed moderate growth (1.8% CAGR) between 2013 and 2017 with 0.8 million workers in 2017.
- The subsector accounted for 210,917 companies in 2017 which represent on average 0.8% of the total number of companies in each Member State

THE VALUE ADDED OF THE OTHER CCS ACTIVITIES SUBSECTOR HAS MODERATELY GROWN AT A 0.8% CAGR, BETWEEN 2013 AND 2017

Evolution of value added (€ M) in the Other CCS activities subsector



Share of each economic activity out of the subsector's total value added (2017)



Key Observations

- The value added by the Other CCS activities subsector reached EUR 35,141 million in 2017, EUR 1,041million more than in 2013
- Between 2013 and 2017, the value added generated by the Other CCS activities subsector grew at a 0.8% CAGR overall
- The evolution of value added in the period shows a slight decrease from 2013 to 2014 and from 2016 to 2017

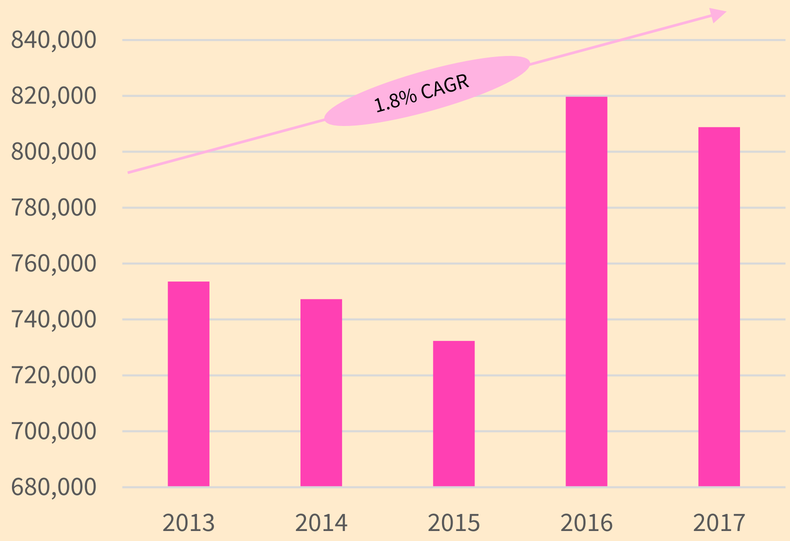
Key Observations

- "Wholesale of other household goods" is the main component of the Other CCS activities subsector, representing 69% of its value added
- "Renting and leasing of other personal and household goods" represent 20% of the subsector's value added, while "Renting and leasing of other personal and household goods" and "Renting and leasing of other personal and household goods" amount to 7% and 4% respectively

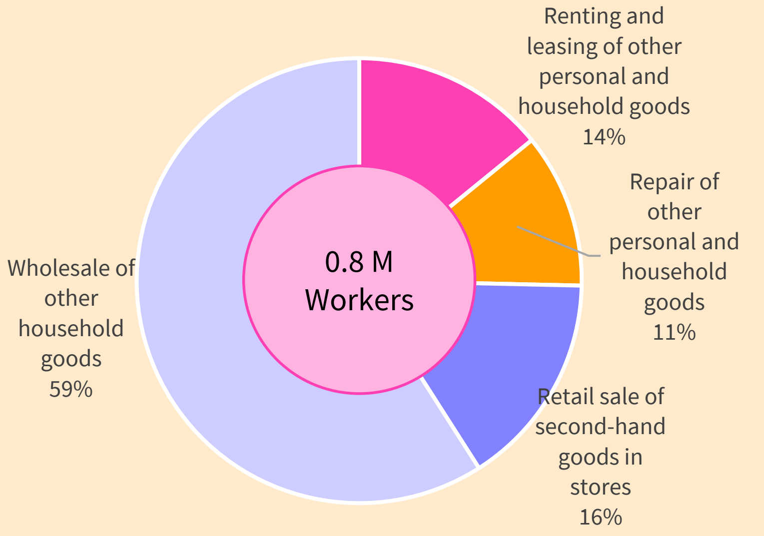
Notes: Data not available for "Creative, arts and entertainment activities"

EMPLOYMENT IN THE OTHER CCS ACTIVITIES SUBSECTOR SHOWED MODERATE GROWTH (1.8% CAGR) BETWEEN 2013 AND 2017

Evolution of employment in the Other CCS activities subsector



Share of each economic activity out of total employment in the subsector (2017)



Key Observations

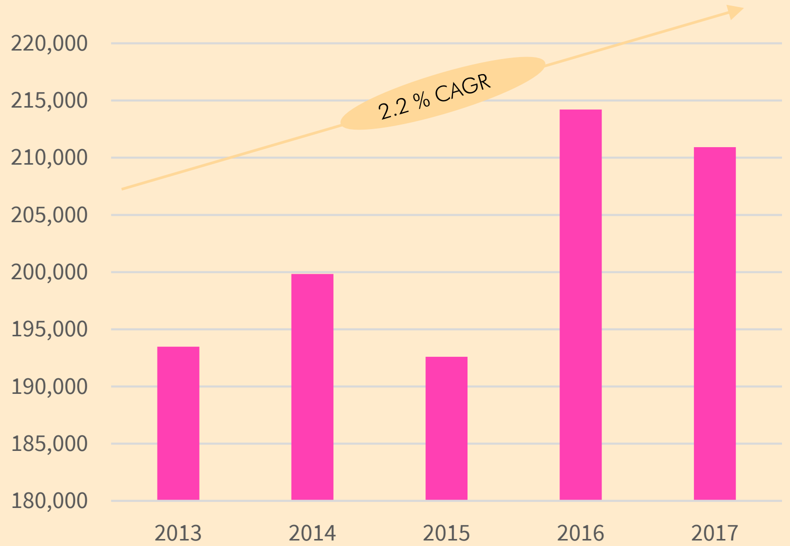
- The number of persons employed in the Other CCS activities subsector reached 808,817 in 2017, 55,257 more than in 2013
- Between 2013 and 2017, the number of persons employed in the Other CCS activities subsector

Key Observations

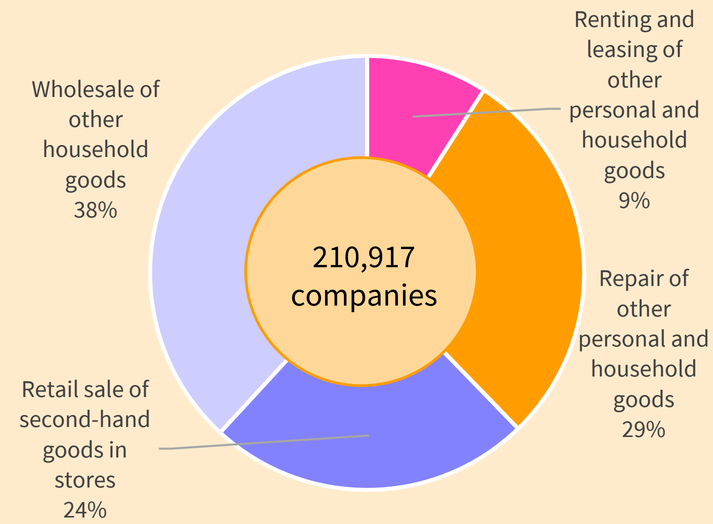
- Employing 59% of the subsector's workers "Wholesale of other household goods" is the main component within the subsector in terms of employment
- "Retail sale of second-hand goods in stores"(16%), "Renting and leasing of other personal household goods" (14%) and "Repair of other personal and household goods" (11%) employ the remainder of the subsector's professionals

THE OTHER CCS ACTIVITIES SUBSECTOR ACCOUNTED FOR 210,917 COMPANIES IN 2017

Evolution of the number of companies in the Other CCS activities subsector



Share of each economic activity out of the total number of companies in the subsector (2017)



Key Observations

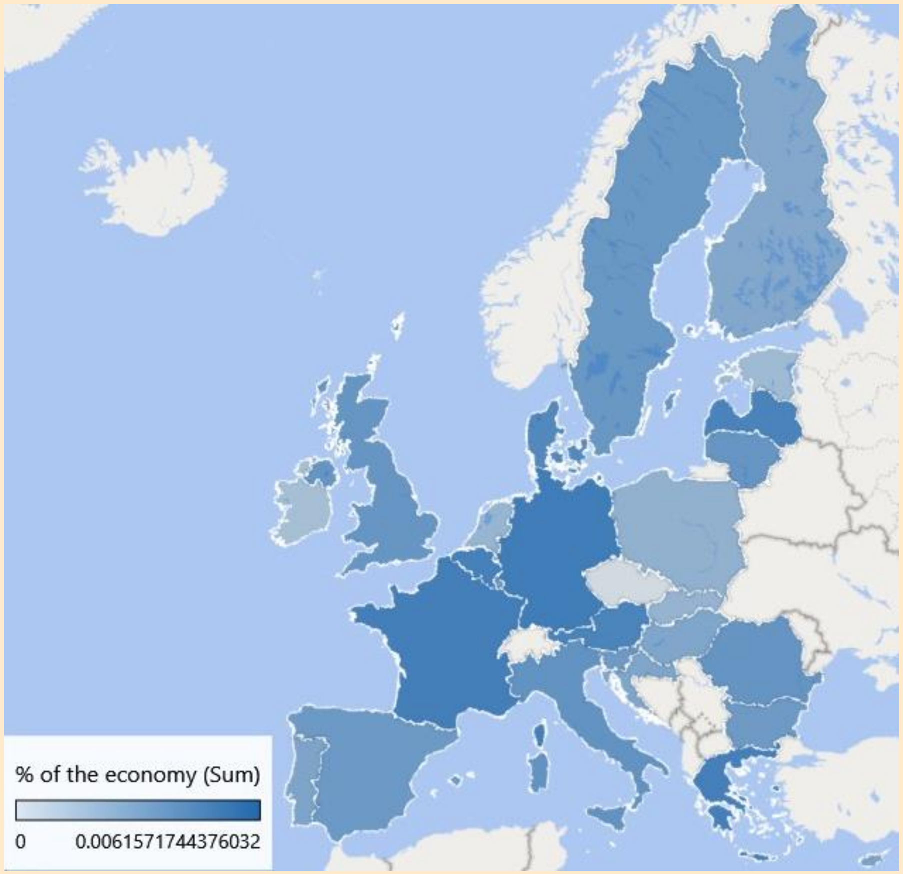
- The number of companies in the Other CCS activities subsector reached 210,917 in 2017, 17,447 more than in 2013
- Between 2013 and 2017, the number of companies in this subsector grew at a 2.2% CAGR
- The evolution of the number of companies within the subsector shows volatility: after a steady growth in 2015 it dropped by 3.4% and started growing again in 2016 followed by a slight decrease

Key Observations

- More than one third (38%) of the companies in the subsector are in the "Wholesale of other household goods" category
- "Repair of other personal and household goods." represent 29% of the Other CCS companies, while "Retail sale of second-hand goods in stores" correspond to 24%

THE OTHER CCS ACTIVITIES SUBSECTOR CONTRIBUTES, ON AVERAGE, 0.5% TOWARDS THE VALUE ADDED IN EACH MEMBER STATE

Share of value added in each MS (2017)



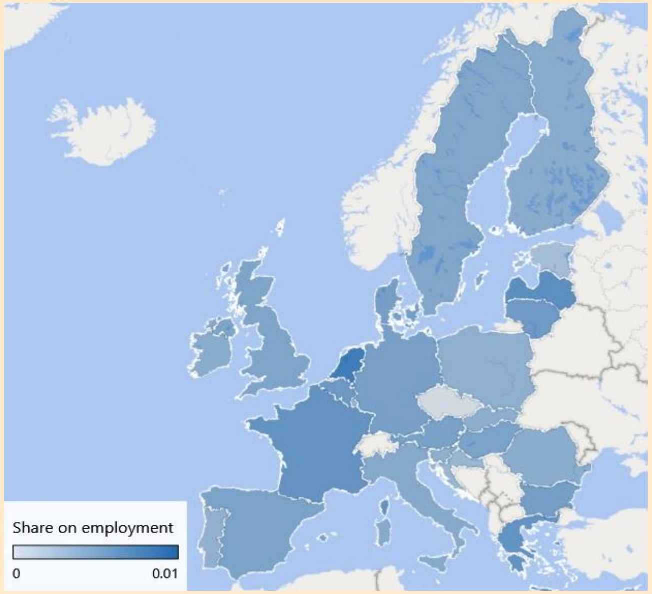
Source: Eurostat
Note: data not available for CZ and MT

Key Observations

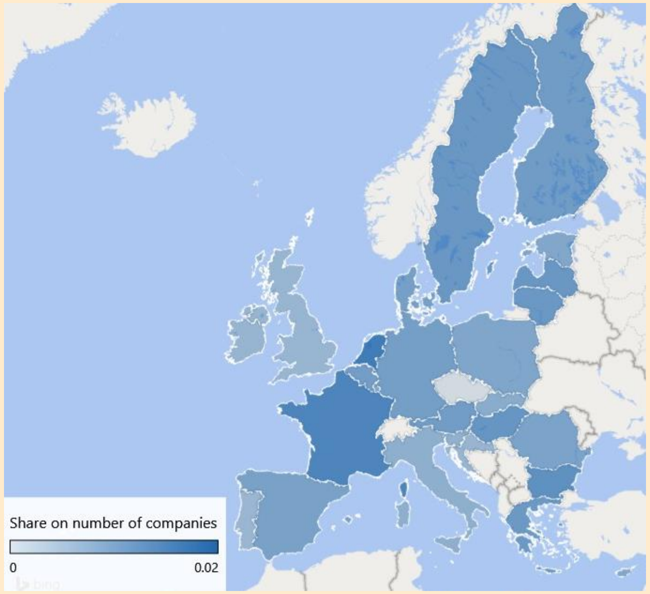
- Across Member States, Other CCS activities represent, on average, 0.5% of the national value added
- The subsector is most relevant for the German economy, where it accounts for 0.6% of national value added
- Other countries where the Other CCS activities' share of the national value added are higher than the EU average are:
    - France (0.6%),
    - Greece (0.6%),
    - Belgium (0.6%),
    - Lithuania (0.6%),
    - Austria (0.6%),
    - Denmark (0.5%)

COMPANIES ACTIVE IN THE OTHER CCS ACTIVITIES SUBSECTOR REPRESENT, ON AVERAGE, 0.8% OF THE TOTAL NUMBER OF COMPANIES IN EACH MEMBER STATE

Other CCS activities' share of employment (2017)



Other CCS activities' share of number of companies (2017)



Key Observations

- On average, employees in the Other CCS activities subsector represent 0.5% of the workforce in each Member State
- The highest shares of employees active in the Other CCS activities subsector out of national employment are found in the Netherlands (1%), Latvia (0.8%) and Greece (0.7%)

Key Observations

- On average, companies in the Other CCS activities subsector account for 0.8% of total companies in each Member State
- The highest shares of companies active in these sectors out of the total number of companies are found in the Netherlands (1.6%), France (1.4%) and Bulgaria (1.4%)

Source: Eurostat
Note: data not available for MT neither CZ

APPENDIX

METHODOLOGICAL NOTES ON THE QUANTITATIVE SECTIONS

- **Data source:** Eurostat is the source for the quantitative information presented in this study. The data was extracted in July 2020 for the latest available data (i.e. 2017).
- **Data processing:** The data was extracted at its most granular level (per NACE code, per Member State, per variable, per year) and then aggregated (at EU level, at subsector level etc.). All aggregations are developed based on the available data. Therefore, the presented results are sensitive to data availability shortcomings. A data profiling report can be found in the appendix.
- **Overall Economy:** In the calculations of the share of the CCS or of a subsector on the overall economy, the NACE code **B-N_S95_X_K ("Total business economy; repair of computers, personal and household goods; except financial and insurance activities")** was used as the proxy for the overall economy. Therefore percentages showing the share out of the economy both at Member State and EU level (for value added, employment and number of companies) have been calculated with this proxy. In 2017, at the EU28 level these aggregates amount to (1) **Value added:** EUR 7,453,751 million (2) Employment: 145,229,381 (3) **Number of companies:** 24,378,356.
- **Survival rate:** due to data unavailability, the figures for CCS survival rates refer to a smaller selection of NACE codes (G47.6, J58, J59, J60, J62.0, M71.11, M74,10, M74,20, M74,30, M74,90, N77,29, N78,10, R90, R91).
- **Geographical scope of the study:** EU 28 Member States.

APPENDIX - DATA PROFILING

Percentage of information available on each variable, per country (2017)

Country	Value added	Employment	Number of enterprises
Austria	82%	87%	100%
Belgium	95%	100%	100%
Bulgaria	90%	97%	97%
Cyprus	79%	79%	79%
Czechia	49%	54%	56%
Germany	95%	100%	100%
Denmark	87%	92%	100%
Estonia	49%	54%	100%
Greece	95%	100%	100%
Spain	95%	100%	100%
Finland	95%	100%	100%
France	92%	97%	100%
Croatia	85%	100%	100%
Hungary	95%	100%	100%
Ireland	64%	69%	69%
Italy	92%	97%	97%
Lithuania	92%	97%	100%
Luxembourg	64%	67%	100%
Latvia	90%	100%	100%
Malta	5%	10%	10%
Netherlands	33%	95%	100%
Poland	95%	95%	95%
Portugal	95%	100%	100%
Romania	85%	100%	100%
Sweden	87%	87%	95%
Slovenia	87%	82%	100%
Slovakia	90%	95%	95%
United Kingdom	95%	72%	100%

APPENDIX - NACE CODES

AVAILABLE DATA ON EUROSTAT AND LIMITATIONS

- The CCS GF aims at enhancing access to finance for SMEs and Small Public Enterprises active in the CCS and in particular in the eight sub sectors specified below
- Each sub sector includes a number of activities (or NACE codes) that are presented in the following slides
- The data (or NACE codes) have been collected from Eurostat and specifically, from the Business Demography (BD) database and the Structural business statistics (SBS) database for services, industry and trade
- For the subsector Education and Memberships there is no data available that is sufficiently accurate to be included in the quantitative analysis
- Whenever data is not available (either due to unavailability in a particular database or because the sought after data was not sufficiently accurate) it is marked as "NA" in the following slides
- The data availability, the database form which the data was collected as well as the variables for which data was extracted can be seen in the following slides

Heritage, Archives & Libraries	**Books & Press**	**Visual Arts**	**Architecture**	**Performing Arts**	**Audio Visual & Multi media**	**Education & Memberships**	**Other cultural & creative sectors activities**

APPENDIX - NACE CODES

AVAILABLE DATA ON EUROSTAT AND LIMITATIONS

Cultural Domain of CCS GF	Nace Code (NACE Rev. 2)	Enterprises – number V111100 (SBS) / V11910 (BD)	Persons employed V 16110(SBS) / V16910 (BD)	Value added at factor cost – million euro V12150	Survival rate 1 / 3 / 5 V97041 / V97043 / V97045
Heritage, Archives & Libraries	R91.01 - Library and archives activities	BD (R91)*	BD (R91)*	N/A*****	BD (R91)*
	R91.02 - Museums activities			N/A*****	
	R91.03 - Operation of historical sites and buildings and similar visitor attractions			N/A*****	
Books & Press	C18.11 - Printing of newspapers	SBS (industry)	SBS (industry)	SBS (industry)	N/A**
	C18.12 - Other printing	SBS (industry)	SBS (industry)	SBS (industry)	N/A**
	C18.13 - Pre-press and pre-media services	SBS (industry)	SBS (industry)	SBS (industry)	N/A**
	C18.14 - Binding and related services	SBS (industry)	SBS (industry)	SBS (industry)	N/A**
	J58.11 - Book publishing	SBS (services)	SBS (services)	SBS (services)	BD (J58)*
	J58.13 - Publishing of newspapers	SBS (services)	SBS (services)	SBS (services)	
	J58.14 - Publishing of journals and periodicals	SBS (services)	SBS (services)	SBS (services)	
	J63.91 - News agency activities	SBS (services)	SBS (services)	SBS (services)	N/A****
	G47.61 - Retail sale of books in specialised stores	SBS (trade)	SBS (trade)	SBS (trade)	BD (G47.6)***
	G47.62 - Retail sale of newspapers and stationery in specialised stores	SBS (trade)	SBS (trade)	SBS (trade)	
	M74.30 - Translation and interpretation activities	SBS (services)	SBS (services)	SBS (services)	BD

* Only 2 digit NACE code available
** Only category C17_C18 available, covering too many additional sub-activities that are not included
*** Only 3 digit NACE code available
**** Only 2 digit NACE code available, covering too many additional sub-activities that are not included
***** Data on value added not available in BD database

APPENDIX - NACE CODES

AVAILABLE DATA ON EUROSTAT AND LIMITATIONS

Cultural Domain of CCS GF	Nace Code (NACE Rev. 2)	**Enterprises – number** V111100 (SBS) / V11910 (BD)	**Persons employed** V 16110(SBS) / V16910 (BD)	**Value added at factor cost – million euro** V12150	**Survival rate 1 / 3 / 5** V97041 / V97043 / V97045
Visual Arts	G47.78 - Other retail sale of new goods in specialised stores	SBS (trade)	SBS (trade)	SBS (trade)	N/A***
	J58.19 - Other publishing activities	SBS (services)	SBS (services)	SBS (services)	BD (J58)****
	M74.10 - Specialised design activities	SBS (services)	SBS (services)	SBS (services)	BD
	M74.20 - Photographic activities	SBS (services)	SBS (services)	SBS (services)	BD
	R90.03 - Artistic creation	BD (R90)*	BD (R90)*	N/A**	BD (R90)*
Architecture	M71.11 - Architectural activities	SBS (services)	SBS (services)	SBS (services)	BD
Performing Arts	M74.90 - Other professional, scientific and technical activities n.e.c.	SBS (services)	SBS (services)	SBS (services)	BD
	N78.10 - Activities of employment placement agencies	SBS (services)	SBS (services)	SBS (services)	BD
	R90.01 - Performing arts	BD (R90)*	BD (R90)*	N/A**	BD (R90)****
	R90.02 - Support activities to performing arts	BD (R90)*	BD (R90)*	N/A**	
	R90.04 - Operation of arts facilities	BD (R90)*	BD (R90)*	N/A**	

* Only 2 digit NACE code available, to avoid double counting the data for R90.03 is excluded from the Visual Arts subsector and included in the analysis of the Performing Arts subsector
** Data on value added not available in BD database
*** Only 3 digit NACE code available, covering too many additional sub-activities that are not included
**** Only 2 digit NACE code available

APPENDIX - NACE CODES

AVAILABLE DATA ON EUROSTAT AND LIMITATIONS

Cultural Domain of CCS GF	Nace Code (NACE Rev. 2)	Enterprises – number V111100 (SBS) / V11910 (BD)	Persons employed V 16110(SBS) / V16910 (BD)	Value added at factor cost – million euro V12150	Survival rate 1 / 3 / 5 V97041 / V97043 / V97045
Audio-Visual & Multimedia	C18.20 - Reproduction of recorded media	SBS (industry)	SBS (industry)	SBS (industry)	N/A*
	C32.20 - Manufacture of musical instruments	SBS (industry)	SBS (industry)	SBS (industry)	N/A**
	C33.19 - Repair of other equipment	SBS (industry)	SBS (industry)	SBS (industry)	N/A***
	G47.63 - Retail sale of music and video recordings in specialised stores	SBS (trade)	SBS (trade)	SBS (trade)	BD (G47.6)****
	J59.11 - Motion picture, video and television programme production activities	SBS (services)	SBS (services)	SBS (services)	BD (J59)*****
	J59.12 - Motion picture, video and television programme post-production activities	SBS (services)	SBS (services)	SBS (services)	
	J59.13 - Motion picture, video and television programme distribution activities	SBS (services)	SBS (services)	SBS (services)	
	J59.14 - Motion picture projection activities	SBS (services)	SBS (services)	SBS (services)	
	J58.21 - Publishing of computer games	SBS (services)	SBS (services)	SBS (services)	BD (J58)*****
	J59.20 - Sound recording and music publishing activities	SBS (services)	SBS (services)	SBS (services)	BD (J59)*****
	J60.10 - Radio broadcasting	SBS (services)	SBS (services)	SBS (services)	BD (J60)*****
	J60.20 - Television programming and broadcasting activities	SBS (services)	SBS (services)	SBS (services)	
	G47.41- Retail sale of computers, peripheral units and software in specialised stores	SBS (services)	SBS (services)	SBS (services)	BD (G47.6)****
	J62.01- Computer programming activities	SBS (services)	SBS (services)	SBS (services)	BD (J6201)
	J63.11- Data processing, hosting and related activities	SBS (services)	SBS (services)	SBS (services)	N/A******

* Only category C17_C18 available, covering too many additional sub-activities that are not included
** Only category C31_C32 available, covering too many additional sub-activities that are not included
*** Only category C33 available, covering too many additional sub-activities that are not included
**** Only 3 digit NACE code available
***** Only 2 digit NACE code available
****** Only J63 available, covering too many additional sub-activities that are not included

APPENDIX - NACE CODES

AVAILABLE DATA ON EUROSTAT AND LIMITATIONS

Cultural Domain of CCS GF	Nace Code (NACE Rev. 2)	**Enterprises – number** V111100 (SBS) / V11910 (BD)	**Persons employed** V 16110(SBS) / V16910 (BD)	**Value added at factor cost – million euro** V12150	**Survival rate 1 / 3 / 5** V97041 / V97043 / V97045
Education & Memberships* **	P85.42 - Tertiary education	N/A*	N/A*	N/A*	N/A*
	P85.52 - Cultural education	N/A*	N/A*	N/A*	N/A*
	S94.12 - Activities of professional membership organisations	N/A*	N/A*	N/A*	N/A*
	S94.99 - Activities of other membership organisations n.e.c.	N/A*	N/A*	N/A*	N/A*
Other cultural and creative sectors activities	G46.49 - Wholesale of other household goods	SBS (trade)	SBS (trade)	SBS (trade)	N/A*
	G47.79 - Retail sale of second-hand goods in stores	SBS (trade)	SBS (trade)	SBS (trade)	N/A**
	N77.29 - Renting and leasing of other personal and household goods	SBS (services)	SBS (services)	SBS (services)	BD
	S95.29 - Repair of other personal and household goods	SBS (services)	SBS (services)	SBS (services)	N/A*

* Only 2 digit NACE code available, covering too many additional sub-activities that are not included
** Only 3 digit NACE code available, covering too many additional sub-activities that are not included
*** Due to the lack of sufficiently accurate data on Eurostat (at 4 digit NACE code level) this subsector is excluded from the quantitative analysis

APPENDIX - NACE CODES

AVAILABLE DATA ON EUROSTAT AND LIMITATIONS

Limitations of the quantitative analysis using Eurostat data (based on NACE codes)

The quantitative data on CCS underestimates the size of the CCS in the EU as:

- NACE codes are outdated and do not capture the digital economy and services
- Country reporting varies greatly and is often not comparable
- Countries have different definitions on what constitutes CCS
- Data collection is poor or non existent in a large number of subsectors (notably design, heritage, performing art, royalty collection and digital services)

Sources: KEA, Feasibility study on data collection and analysis in the cultural and creative sectors in the EU September 2015, European Commission ; Stephen Siwek, Copyright Industries in the US Economy, 2018 Report , IIPA.

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