

MARKET FIGURES — THE CCS ACROSS EUROPE



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INTRODUCTION

This report includes short market fiches for 29 countries (all 27 European Union (EU) Member States, as well as Norway and Iceland). These fiches complement the EU market analysis document on the Cultural and Creative Sectors (CCS), providing key information through a country-by-country approach. This document chiefly includes selected data on the CCS and information on funding sources (mostly public ones), while a more detailed analysis of market trends is available in the market analysis document.

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

- Eurostat database (2023), Gross Value added and turnover of enterprises in the cultural sectors by NACE Rev. 2 activity;
- Eurostat database (2023), Cultural employment by NACE Rev. 2 activity;
- Council of Europe (2023), Compendium of Cultural Policies and Trends in Europe, 22nd edition;
- The JRC's Cultural and Creative Cities Monitor;
- UNESCO (2022) Re|Shaping Policies for Creativity: Addressing Culture as a Global Public Good;
- QMetrics (2023) Measuring the Cultural and Creative Sectors in the EU. Project funded by the European Commission, DG EAC.

Wherever possible, additional research on national sources complements information retrieved from European sources. Importantly, the level of publicly available information is limited and not homogeneous across EU countries. National sources may use slightly different definitions of the CCS or apply a different statistical classification of those sectors. There is also a different vision of the CCS in terms of policymaking, as some European countries focus on cultural policy geared towards production of cultural works and access to culture, whereas other countries have a more entrepreneurial focus.

We use these different national definitions of the CCS and slightly adapt our approach from country to country, as different definitions reflect countries' particular priorities, thus giving a more accurate vision of national-level CCS focus. Accounting for countries' CCS specificities inevitably results in an analysis that is not directly comparable on a country-to-country basis. It nevertheless produces a more comprehensive reflection of the CCS landscape across the countries analysed.

To guarantee that the data presented is current and relevant, this document draws from multiple sources. Mappings of the CCS at national level were prioritised – indeed, some country fiches draw mostly from such mappings: see for example Croatia, Austria and Germany. National statistical offices constitute another data source, as in the market fiches of the Czech Republic, France and Portugal. Where national-level CCS mappings or national statistical office data were unavailable or too old, Eurostat provided a third option. The fiches for Belgium, Malta and Cyprus relied heavily on Eurostat data, for instance. Most often, however, a combination of sources is mined to provide a comprehensive illustration of the CCS and to favour high levels of granularity and accuracy in terms of information provided.

Before delving into country-level specificities, it is useful to gain a birds-eye view of the CCS across countries¹, starting with value added. Gross Value Added (GVA) provides a good indication of how

¹ Based on Eurostat data compiled for the Market Analysis of the Cultural and Creative Sectors in Europe.

much the CCS are contributing to the overall economy in different countries. As we might expect, bigger countries (as measured by GDP) have higher CCS GVA in 2020. The three biggest countries by GDP – Germany, France and Italy – take the top three places for value added. However, looking at the contribution of the CCS to total economy GVA presents a more nuanced picture. Of the countries examined, the CCS contribute most to total economy GVA in Cyprus and Malta, despite their small size, driven by a strong Audiovisual & Multimedia subsector. From 2013 to 2020, the GVA of the European CCS increased at a CAGR of 4.3% across the countries examined, with considerable variation. For some countries, growth was negative between 2019-2020 (e.g. Belgium, France and the Netherlands). Conversely, Ireland and Romania show highly positive year-on-year value added.

The number of CCS businesses varies considerably according to country size as well as policies and regulations.² Italy, a country renowned for its art and fashion, has the greatest number of enterprises, closely followed by France. Unsurprisingly, small countries with small population sizes have the smallest number of CCS enterprises. Iceland, Malta and Luxembourg all have fewer than 5,000 enterprises. Placing these numbers within countries' economic context, we see that in 2020, CCS enterprises constituted 12.4% of total enterprises in the countries analysed. The data for 2020 is positively skewed, with one main outlier, the Netherlands, at 23.2%. Here, policies favour freelancing options, leading to the presence of many single-person CCS enterprises. The Belgian and Slovak economies show the smallest share of CCS enterprises. While average growth between 2019 and 2020 in the number of CCS enterprises is 0.6%, there is again great variation between countries. Belgium, Germany and Austria all experienced a fall in the number of CCS enterprises between 2019 and 2020. Both Ireland and Malta show considerable growth in number of CCS enterprises between 2019 and 2020.

Indeed, the average share of CCS employment in the whole economy is 6.50%. The share of CCS employment ranges from 1.4% in Estonia to 10.3% in Malta. In Germany, Italy and France, we find the greatest number of CCS employers. Between 2019 and 2020, average year-on-year employment across all 29 countries decreased by 2.8%, a reflection of the impact of COVID-19 pandemic on the CCS. Only seven countries managed to increase the proportion of CCS workers, led by Latvia and Romania. The remaining 22 presented negative year-on-year, spanning minor contraction (in Portugal) to considerable decline (in Belgium and Norway for instance).

This report presents market fiches for 29 countries in alphabetical order, from Austria to Sweden. Each fiche begins by embedding national CCS within the broader macroeconomic context, underlining country-level strengths and priorities, before exploring key market data for the CCS, such as statistics on GVA (or turnover), employment and number of enterprises. The fiches also examine main financing sources for each country, whether public or private, including both direct and indirect public support (including subsidies, tax relief measures (for investors), social security measures (for SMEs), or skills development), sponsorship and donations. In some countries the EIF has already signed agreements with Financial Institutions active in the CCS, that in turn provide financing to CCS enterprises. Additional information can be found at EIF website.

It should be noted that each market fiche provides a high-level overview of CCS funding, and that additional resources can be identified through more in-depth research. Care has been taken to convert non-euro currencies into euros, using the conversion rate of 1 January 2023 to ensure comparability.³

² https://www.oecd-ilibrary.org/docserver/sti_scoreboard-2013-62-en.pdf?expires=1696948215&id=id&accname=guest&checksum=3A3C-01DCEAA2AEA7B05D5EC3FB6B0AD.

³ https://commission.europa.eu/funding-tenders/procedures-guidelines-tenders/information-contractors-and-beneficiaries/exchange-rate-infoeuro_en.

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LIST OF — ABBREVIATIONS

CAGR	Compound Annual Growth Rate
CCS	Cultural and Creative Sectors
CNC	Centre National du Cinéma et de l'Image Animée (in France)
CNM	Centre National de la Musique (in France)
CoE	Council of Europe
CzK	Center za kreativnost (in Slovenia)
EEA	European Economic Area
EFI	Estonian Film Institute
EIB	European Investment Bank
EIF	European Investment Fund
EU	European Union
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GVA	Gross Value Added
IFCIC	Institut pour le Financement du Cinéma et des Industries Culturelles (in France)
INCFC	National Institute for Cultural Research and Training (in Romania)
INE	Instituto Nacional de Estatística (in Portugal)
JRC	Joint Research Center
NCF	National Culture Fund (in Bulgaria)
NGO	Non-governmental organisations
NIPOS	National Information and Consulting Centre for Culture (in Czech Republic)
ÖFI	Austrian Film Institute
PPP	Public-private partnerships
SME	Small and Medium-sized Enterprises
UNCTAD	United Nations Conference on Trade and Development
UNESCO	United Nations Educational, Scientific and Cultural Organization
US	United States
VOD	Video-on-Demand

LIST OF — CURRENCIES

BGN	Bulgaria – lev
CZK	Czechia – koruna
DKK	Denmark – krone
EUR	Euro area – euro
HUF	Hungary – forint
ISK	Iceland – krona
NOK	Norway – krone
PLN	Poland – złoty
RON	Romania – leu
SEK	Sweden – krona

MARKET FICHE

— AUSTRIA

I. Specificity of the Austrian market – context and introduction

The economic forecast for Austria is characterised by a mixed performance. In 2022, Austria experienced a significant expansion, with a remarkable 5.0% increase in real GDP. However, 2023 presents a different picture, with an anticipated downturn primarily due to tighter labour conditions, high retail energy prices, and weak export growth. The forecast suggests a slow recovery, expected in 2024.⁴

Amid this economic landscape, the CCS are poised to play a pivotal role in Austria's economic revitalisation. The CCS constitute a substantial portion of the Austrian service sector, currently the largest contributor to the country's GDP. It is a vibrant and growing sector that has garnered significant attention through various initiatives and strategies in recent years.

In the last few years, the Austrian national cultural policy has placed significant emphasis on key priorities to foster fairness, health, and promote green and digital transformation within the CCS. The government's current programme for the period of 2020-2024 includes the implementation of a "fairness" strategy, which encompasses initiatives such as fair pay and the enhancement of social security for individuals working in the cultural sector. Additionally, efforts to improve gender equality are among the noteworthy developments. These measures are designed to steadily reduce the Gender Pay Gap specifically within cultural institutions, ensuring a more equitable and inclusive environment for all participants in the CCS.⁵

The Austrian Cultural and Creative Market is a vibrant and growing sector that has been the focus of several initiatives and strategies in recent years. The Federal Ministry of Arts, Culture, the Civil Service and Sport has spearheaded efforts to support the cultural and creative sectors in Austria, including the development of a Creative Industries Strategy in 2016 that will guide the country's policy until 2025.⁶ Recent trends and developments in the Austrian creative industries showcase high innovation dynamics necessary to thrive in a competitive, export-oriented economy dominated by small businesses. The Tenth Austrian Creative Industries Report highlights the resilience exhibited by these industries during the COVID-19 pandemic.⁷

4 European Commission (2023), The latest macroeconomic forecast for Austria. https://economy-finance.ec.europa.eu/economic-surveillance-eu-economies/austria/economic-forecast-austria_en.

5 Compendium of Cultural Policies and Trends (2022), Country Profile Austria. https://www.culturalpolicies.net/wp-content/uploads/pdf_short/austria/Austria_short_01_2023.pdf.

6 Creative Industries Strategy for Austria (2016). <https://www.bmaw.gv.at/dam/jcr:96a63268-1413-40ba-bf21-2c3f49940c81/Creative%20Industries%20Strategy%20for%20Austria.pdf>.

7 Creative Industries Strategy for Austria | Interreg Europe – Sharing solutions for better policy (2023, March 21). <https://www.interregeurope.eu/good-practices/creative-industries-strategy-for-austria>.

II. Presentation of key market data on the CCS

According to the data available from the official statistics of Austria, in 2020 the main CCS sub-sectors were the Audiovisual & Multimedia subsector and the Books & Press subsector.

The CCS hold a notable position within the Austrian economy, comprising approximately 15.6% of all enterprises. With a total of 51,605 creative enterprises, they contribute significantly to the economy accounting for 4.9% of the overall value added. Their economic performance is on par with the tourism industry and surpasses that of sectors such as structural and civil engineering and weigh twice as much as the automotive industry in terms of economic output.⁸

GVA, number of enterprises and of persons employed in 2020 in Austria						
CCS subsector	GVA added at factor cost		Number of enterprises		Number of persons employed	
	EUR million	Share in non-financial business economy	Number	Share in non-financial business economy	Number	Share in non-financial business economy
Architecture	1,125	0.56%	5,801	1.75%	19,359	0.67%
Audiovisual & Multimedia	4,936	2.45%	13,980	4.23%	63,678	2.19%
Books & Press	1,701	0.84%	3,974	1.2%	28,898	0.99%
Heritage, Archives & Libraries*	-	-	216	0.07%	1,939	0.07%
Performing Arts	460	0.23%	17,527	5.3%	29,078	1.00%
Visual Arts	755	0.37%	7,002	2.12%	19,720	0.68%
Other CCS activities	917	0.46%	3,105	0.94%	14,188	0.49%
Total CCS	9,904	4.9%	51,605	15.6%	176,860	6.1%

Source: Eurostat (*GVA does not include data for Heritage, Archives and Libraries)

They employed 176,860 persons in 2020, and roughly 6.1% of all workers in Austria were working in the CCS. The Audiovisual & Multimedia enterprises employ more than any other CCS subsector, reaching 63,678 jobs in 2020, followed by Performing Arts subsector and Books & Press subsector with 29,078 and 28,898 employees respectively.

Audiovisual & Multimedia subsector together with Architecture subsector were able to increase their sales during the COVID-19 pandemic, which in the first half of 2021 were already above the pre-COVID-19 level.⁹

⁸ Tenth Austrian Creative Industries Report – Focus on Resilience in the Corona Crisis. Creative Industries.at. <https://www.kreativwirtschaft.at/en/zehnter-oesterreichischer-kreativwirtschaftsbericht-schwerpunkt-resilienz-in-der-corona-krise/>.

⁹ Tenth Austrian Creative Industries Report: Focus on Resilience in the Corona Crisis. <https://www.kreativwirtschaft.at/en/zehnter-oesterreichischer-kreativwirtschaftsbericht-schwerpunkt-resilienz-in-der-corona-krise/>.

Moreover, the Austrian creative industries demonstrate a significant degree of internationalisation, with an export rate of 19.4%, surpassing the average of 12.5% across all economic sectors in Austria.¹⁰ These industries play a crucial role as an innovation booster, fostering crossover effects and wielding transformative power that positively impacts the entire Austrian economy, with a staggering 91% of creative enterprises engaging in innovation activities, 75% contributing to product or service innovations, and 44% exploring new business models.¹¹

III. Main Financing Sources for the CCS

The Federal Arts Promotion Act, enacted in 1988, mandates the inclusion of funds in the federal budget for promoting public arts and emphasises the need for enhancing the social conditions of artists and the framework for private sponsorship. The allocation of funds depends on the available resources at the time, and the Ministry for Arts, Culture, Civil Service and Sport manages ongoing subsidies and grants directly. The primary goals are to establish a stable and sustainable environment for contemporary artistic expression and its dissemination, as well as to protect cultural heritage, State cultural institutions and enable widespread public engagement with art and cultural resources.

● Direct Public support – Subsidies/Direct expenditure in CCS

The combined public spending on culture by local authorities amounted to about EUR 2.93 billion or 0.77% of GDP in 2020, which includes aid to cope with the consequences of the COVID-19 pandemic. Compared to 2019, cultural spending increased nominally by an average of 6.2%. An above-average increase (24.1%) was recorded in federal government spending. Expenditure by the federal states rose by 3.4%, while that of the municipalities (excluding Vienna) fell by 8.5%.

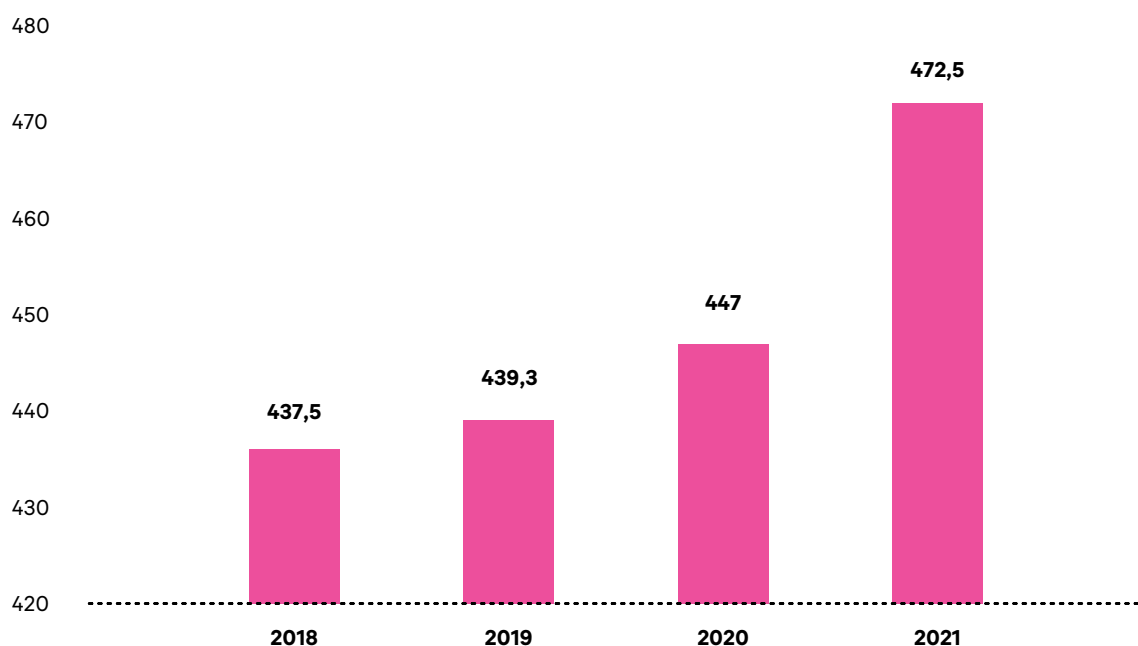
Expenditures by the Federal Ministry for Arts and Culture increased by 5.7% in 2021 from 2020. The majority of the additional funding was spent in the arts funding area, which accounted for approximately EUR 117.7 million in 2021.¹²

10 Compendium of Cultural Policies and Trends (2022), Country Profile Austria. https://www.culturalpolicies.net/wp-content/uploads/pdf_short/austria/Austria_short_01_2023.pdf.

11 Creative Industries Strategy for Austria (2016). <https://www.bmaw.gv.at/dam/jcr:96a63268-1413-40ba-bf21-2c3f49940c81/Creative%20Industries%20Strategy%20for%20Austria.pdf>.

12 Compendium of Cultural Policies and Trends (2022), Country Profile Austria. https://www.culturalpolicies.net/wp-content/uploads/pdf_short/austria/Austria_short_01_2023.pdf; Statistics Austria. (n.d.). *Culture funding*. STATISTICS AUSTRIA. <https://www.statistik.at/en/statistics/population-and-society/culture/culture-funding>.

Expenditure by the Austrian Federal Ministry for Arts and Culture 2018-2021 (in EUR million)



Source: Compendium of Cultural Policies and Trends (2022), Country Profile Austria

In addition to direct public support for the CCS, Austrian legislation provides several important instruments of indirect support for the arts.

The Austrian Music Fund, founded in 2005, is an initiative for the support of professional Austrian music production (up to 50% of production costs) in Austria and the dissemination and marketing of Austrian music at home and abroad. The Fund provides grants on promotion, distribution and artists mobility (e.g. with a touring grant of EUR 1,000 per concert and up to EUR 10,000 for the whole tour).

● Indirect Public support – tax relief and social security measures

The Austrian Film Institute (ÖFI) (previously Austrian Film Promotion Fund) is responsible for structural changes to the Austrian film industry, support to film production, and stimulation and improving the quality of Austrian film culture. The Institute actively champions emerging talents and fosters innovation, allocating approximately 10% of its annual resources to these pioneering endeavours. Through the ÖFI Plus program the Institute offers separate funding for international co-productions. Finally, through the FISA+ and ÖFI schemes, filmmakers can access a 30% grant on expenditures spent in Austria, potentially topped up with a 5% additional green filming bonus on the grant amount when environmental criteria are met.

The Social Security Insurance Fund for Artists grants benefits for all artists. For artists in social need, additional support is given by the Arts and Culture Division of the Ministry of Culture within the framework of the Arts Support Act. Initially set up due the COVID-19 pandemic, the aid fund for artists was endowed with EUR 90 million.

● Sponsorship/Donations

Private corporations, such as foundations, commercial enterprises, insurance companies, and banks like Erste Bank, play a crucial role in promoting culture and the arts by providing significant sponsorship. The discussion surrounding the improvement of conditions for sponsoring has been ongoing for several years, and the Non-Profit Status Act, enacted in 2015, has introduced legal incentives to encourage additional private sector funding for art and culture. This act promotes donation activity by foundations and extends tax relief on donations to corporations that support Austrian art and culture through artistic activities. Moreover, an amendment to the Income Tax Act in 2016 expanded the donation tax relief to include institutions focused on presenting works of art that are accessible to the general public.¹³

According to a recent survey conducted by the Initiativen Wirtschaft für Kunst, which is the Austrian Business Committee for the Arts, 43% of Austrian enterprises engage in arts sponsorship. Energy providers rank at the top, followed by the banking and insurance sectors. Overall, private investment in the field of art and culture has increased seven-fold since 1989.¹⁴

● Others

Finally, the CCS benefits from the active involvement of many private, non-profit initiatives, as well as numerous volunteers. According to the 3rd Volunteering Report in 2019, more than 432,000 volunteers are actively engaged in cultural associations, collectively contributing approximately 1.8 million hours per week. As a result, the voluntary cultural sector is the second-largest sector, following sports, in terms of both the number of volunteers and weekly working hours. Since 2019, the Freiwilligenweb platform has been promoting volunteering work and facilitating networking within the sector.¹⁵

13 Compendium of Cultural Policies and Trends (2022), Country Profile Austria. https://www.culturalpolicies.net/wp-content/uploads/pdf_short/austria/Austria_short_01_2023.pdf.

14 *Maecenas*. (n.d.) <https://maecenas.at/>.

15 Compendium of Cultural Policies and Trends (2022), Country Profile Austria. https://www.culturalpolicies.net/wp-content/uploads/pdf_short/austria/Austria_short_01_2023.pdf.

MARKET FIGHE

— BELGIUM



I. Specificity of the Belgian market – context and introduction

The Belgian economy is expected to witness a rebound with a stable GDP growth of 1.4% in 2023 and 2024, driven by increased private consumption, although business investments may be hindered by cost pressures. The labour market is expected to remain weak with an unemployment rate stabilising at 5.6% from 2022 to 2024. Inflation is set to drop from 10.3% in 2022 to 2.4% in 2023 and increase to 4.2% in 2024. Government budget deficits are persistently high, reaching 4.9% in 2023 and in 2024, driven by several factors including energy support measures, increased public spending, and structural expenditure growth. Government debt is forecast to increase from 106.3% of GDP in 2023 to 107% in 2025.¹⁶

Belgium operates as a federal country, with cultural affairs primarily managed by the Flemish, French, and German-speaking Communities. This includes aspects like arts, heritage, language, media, youth policy, and sports. Tourism and historical heritage responsibilities fall under the Regions, such as the Flemish, Walloon, and Brussels-Capital Region. Subsidiarity plays a vital role in Belgium's cultural policies, meaning the government doesn't directly interfere in cultural matters, except through general regulations and support measures.

Belgian policy makers have had an increasing interest in the CCS in recent years. Market dynamics and support schemes present significant differences between the different regions and local communities in Belgium. Both the national government, mostly through tax shelters, and the regional ones, through direct support schemes, have in recent years made the support of the CCS a policy priority, with Flanders DC and Creative Wallonia as umbrella strategies for the development of the CCS in the two main Belgian regions.

II. Presentation of key market data on the CCS

The overall Belgian CCS has witnessed a significant growth in recent decades, with a 2.6% CAGR in GVA in the 2008-2019 period and a 1.9% CAGR in the number of active enterprises. Analysing a more recent period (2014-2019), the growth in number of active enterprises has been mostly driven by the Audiovisual & Multimedia subsector and the Architecture subsector (+5.2% and +1.9% CAGR respectively). In the same timeframe, the Performing Arts subsector registered a significant -15% CAGR in the number of active enterprises.

¹⁶ European Commission, Economic Forecast for Belgium (2023). https://economy-finance.ec.europa.eu/economic-surveillance-eu-economies/belgium/economic-forecast-belgium_en.

GVA, number of enterprises and of persons employed in 2020 in Belgium

CCS subsector	GVA added at factor cost		Number of enterprises		Number of persons employed	
	EUR million	Share in non-financial business economy	Number	Share in non-financial business economy	Number	Share in non-financial business economy
Architecture ¹⁷	999	0.40%	18,917	2.81%	23,203	0.78%
Audiovisual & Multimedia	4,944	2.11%	16,840	2.46%	51,098	1.73%
Books & Press	1,929	0.82%	10,806	1.58%	31,928	1.08%
Heritage, Archives & Libraries*	-	-	N/A	N/A	N/A	N/A
Performing Arts	1,229	0.52%	6,333	0.92%	19,507	0.66%
Visual Arts	881	0.38%	3,640	0.53%	22,246	0.75%
Other CCS activities	7,956	0.34%	15,131	2.21%	23,762	0.81%
Total CCS	10,778	4.6%	71,667	10.5%	171,744	5.8%

Source: Eurostat (*GVA does not include data for Heritage, Archives and Libraries)

Among CCS subsectors, the Audiovisual & Multimedia subsector is the biggest in terms of GVA, followed by the Books & Press subsector. Although the CCS grew in absolute terms, its relative contribution to the national GVA remained relatively stable at 4.6% of the total economy.

The Audiovisual & Multimedia subsector is the one employing the highest number of people, followed the Books & Press subsector and the Performing Arts subsector. Once again, while the absolute number of employees grew, their proportion of the national workforce remained stable at 5.8%.

At the subnational level, the Brussels and Wallonia regions achieved higher employment growth rates (respectively 20% and 19%) than Flanders (13%). Flanders is still the leading region for the CCS in Belgium, with twice the number of cultural workers compared to the other two regions. A more in-depth analysis of sectoral data for the Flemish CCS shows how the region is mostly specialised in architectural activities, creative arts and entertainment, retail of cultural and recreation goods and publishing activities. It is interesting to note the complementarity of CCS sectoral specialisation across Belgian regions, with Brussels' region being highly specialised in subsectors that have less relative importance for Flanders (such as in the case of Programming and Broadcasting).

¹⁷ Data for architecture is from 2019 for Belgium (N/A for 2020, all other data points are from 2020).

Share and growth of GVA in CCS subsectors – Flemish Region and Brussels-Capital Region

CCS subsector	Flemish region		Brussels-Capital Region	
	Share (2018, in %)	Growth (2009-2018, in %)	Share (2018, in %)	Growth (2009-2018, in %)
Printing and reproduction of recorded media	11.9%	-1.53%	1.6%	-9.91%
Musical Instruments	0.0%	-2.15%	0.0%	-6.45%
Retail of cultural and recreation goods	13.6%	0.46%	5.8%	0.35%
Publishing activities	13.9%	0.40%	11.5%	-1.68%
Motion Picture	8.0%	4.02%	11.9%	4.24%
Programming and Broadcasting	2.4%	0.92%	25.2%	2.10%
News Agency activities	0.1%	-1.00%	1.8%	2.37%
Architectural activities	17.1%	3.97%	9.9%	2.04%
Other scientific and technical activities	1.8%	5.75%	1.0%	-0.42%
Renting video tapes and disks	0.2%	-17.88%	0.4%	-16.12%
Cultural education	7.7%	1.63%	5.0%	3.78%
Creative arts and entertainment	17.3%	8.57%	19.3%	5.21%
Libraries, museums, etc	6.2%	2.82%	6.6%	3.34%
Total CCS	100%	2.3%	100%	1.8%

Source: OECD (2023). Culture and the creative economy in Flanders, Belgium

III. Main financing sources for the CCS

Support for the CCS in Belgium is mainly delivered through instruments at regional level, with an overall important level of public support.

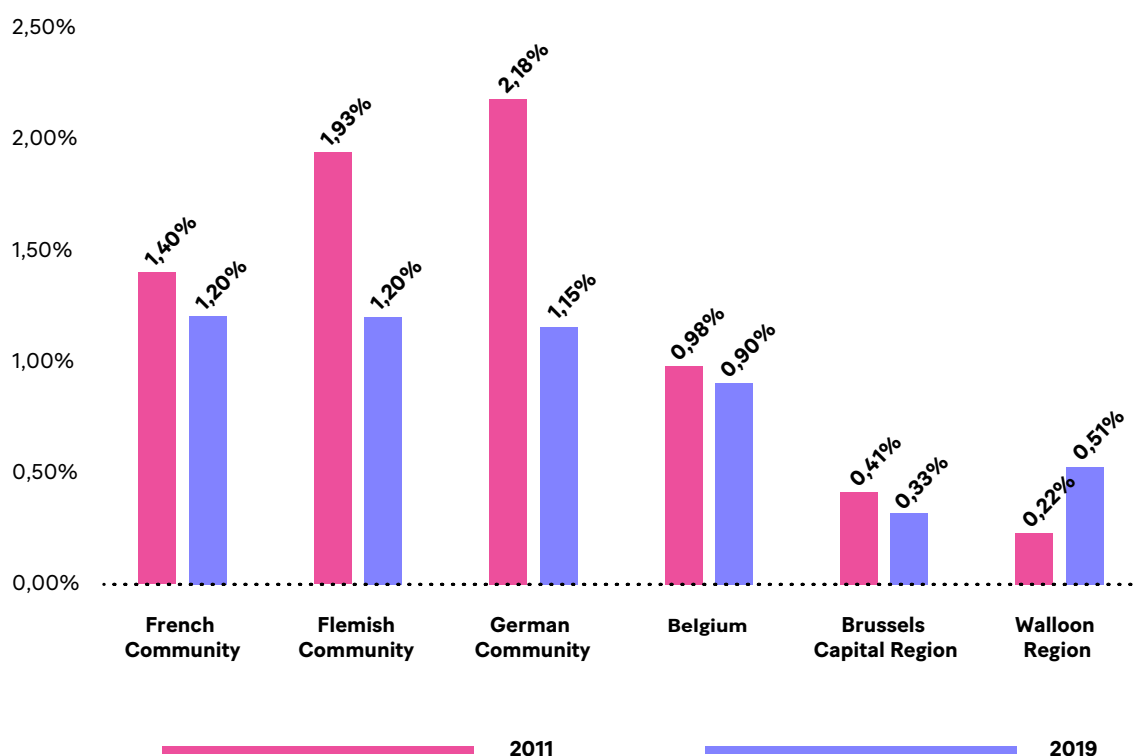
● Direct Public support – Subsidies/Direct expenditure in CCS

While public cultural expenditure remained stable in recent years (accounting for 0.7% of total GDP both in 2015 and 2020), the CCS contributed to the creation of new jobs increasing the share of cultural employment over total employment from 4% (2015) to 4.5% (2020).¹⁸ Furthermore, since Belgium is a federal country, we depict the main differences in public expenditure on the CCS across its main regions and communities.

At the subnational level, there has been a notable decline in the allocation of government funds towards cultural services over the past decade. In 2019, the Flemish Community government

dedicated just under 2% of its total expenditure to cultural services. In Belgium, across all local governments, there has been a decrease in the proportion of government spending allocated to the CCS from 2011 to 2019. Specifically, in the Flemish Community, there has been a decrease of 0.7 percentage points, slightly lower than the 1.0 percentage point decrease in the German Community, but higher than the 0.2 percentage point decline in the French Community.

The CCS as a share of local government spending across Belgian Communities and Regions



Source: OECD (2023). Culture and the creative economy in Flanders, Belgium

Both national and regional support schemes have been put in place in recent years to foster the Belgian CCS. At the same time, the main direct funding schemes are located at the level of the Flemish community, hosting the most vibrant CCS in Belgium. The Arts Decree is the main policy programme that supports artists through grants and project funding, with the exception of professionals in the literature and audiovisual sectors (which have dedicated funds, respectively Flanders literature and the Flanders Audiovisual Fund). Other examples are the Innovation Mechanism, launched by the Department for Culture, Youth and Media, which awards grants for organisations and individuals working in the CCS to innovate their business model.

● Social security measures

At the national level, since the beginning of the century (with further improvements in 2014) artists have been granted special social security measures in light of the specificities of their work and contractual conditions.

- **Financing available (public and private)**

For years, Cultuurinvest was a major policy tool used by the Flemish government to support cultural and creative industries, which has been reorganised and absorbed by PMV, a private investment fund entirely owned by the Flemish government.

Regarding the French community, St'art is an investment fund created in 2009 through the collaboration of the Walloon region and the Wallonia-Brussels Federation that aims at supporting the local creative economy through loans and equity. In the Wallonia region, the Creative Wallonia programme aims at fostering the CCS through educational activities, as well as start-up incubators, creative hubs and political support.

MARKET FIGHE

— BULGARIA



I. Specificity of the Bulgarian market – context and introduction

From a macroeconomic perspective, Bulgaria is expected to decelerate in economic expansion in 2023 (from GDP 3.4% in 2022 to 1.5% in 2023), followed by a rebound in 2024 (GDP expected at 2.4% in 2024). The slowing export growth in 2023 can be attributed to factors like weakened foreign demand and specific one-off circumstances affecting the country. Anticipated trends also point to a reduction in household consumption growth towards the latter part of 2023 and the early months of 2024, stemming from rising real interest rates and a moderation in wage growth. The forecast indicates an increase in the government deficit for 2023, primarily influenced by social and income policies implemented in 2022. Investment is projected to receive backing from the EU funds, including those allocated through the National Recovery and Resilience Plan.¹⁹

A series of cultural reforms were conducted between 1989 and 2012 and a new cultural policy model was developed, accompanied by efforts to decentralise administration and financing. Decentralisation in the field of culture is regarded as one of the top priorities, though significant challenges slowed down the implementation of regional and local cultural strategies. The joint financing of cultural organisations and projects by national and municipal budgets was an achievement, but in many cases the municipalities struggled to deliver their financial contribution. In particular, they faced financial problems at the local level and needed to allocate their limited resources to other political priorities.²⁰ However overall, local authorities are gaining more independence, new regulations to tackle these challenges are being implemented, and new actors and partnerships are emerging within the cultural scene, such as foundations and private cultural institutions.

The National Development Plan 'Bulgaria 2030' places Culture and cultural heritage as one of the 13 strategic priorities for the development of the country, including a support to cultural and creative industries through easier access to finance for the independent sector, a reduction of linguistic market fragmentation (Turkish and Roma are official minority languages in Bulgaria with regional clusters of Turkish-speaking residents in eastern parts of the country), opportunities for export and internationalisation, as well as entrepreneurial skills formation.²¹

Considering the National Development Plan 2030 performance indicators relevant to culture, cultural heritage and tourism, and Bulgaria's ongoing efforts to align economically with other European nations, coupled with its rich cultural heritage and well-developed tourism sector, the Bulgarian CCS possess potential for future expansion and an increased economic impact.

¹⁹ European Commission (2023), Economic Forecast for Bulgaria. https://economy-finance.ec.europa.eu/economic-surveillance-eu-economies/bulgaria/economic-forecast-bulgaria_en.

²⁰ Varbanova, L. (2012), Culture and the Structural Funds in Bulgaria, *European Expert Network on Culture (EENC) Paper*.

²¹ Bulgarian Council of Ministers (2020), The National Development Programme BULGARIA 2030. <https://www.mtc.government.bg/en/category/283/national-development-programme-bulgaria-2030>.

II. Presentation of key market data on the CCS

In 2020, the Bulgarian CCS generated a GVA of EUR 2,539 million, corresponding to a 7.6% share of the economy in the country. There were 128,544 persons working in the CCS in 2020. CCS employment as a share of total employment is on an increasing path since 2019, from 6.4% in 2018, 6.5% in 2019, reaching 6.7% in 2020. The total number of enterprises in the CCS in 2020 is 38,837, comprising 11.4% of the share of the total non-financial business economy.²²

GVA, number of enterprises and of persons employed in 2020 in Bulgaria						
CCS subsector	GVA at factor cost		Number of enterprises		Number of persons employed	
	EUR million	Share in non-financial business economy	Number	Share in non-financial business economy	Number	Share in non-financial business economy
Architecture	567	0.17%	2,284	0.67%	4,591	0.24%
Audiovisual & Multimedia	1,395	4.20%	6,376	1.87%	41,798	2.18%
Books & Press	264	0.79%	4,552	1.33%	19,382	1.01%
Heritage, Archives & Libraries*	-	-	55	0.02%	126	0.01%
Performing Arts	435	1.31%	9,262	2.71%	23,182	1.21%
Visual Arts	241	0.72%	12,385	3.63%	28,004	1.46%
Other CCS activities	148	0.45%	3,823	1.12%	11,461	0.60%
Total CCS	2,540	7.6%	38,737	11.4%	128,544	6.7%

Source: Eurostat (*GVA does not include data for Heritage, Archives and Libraries)

Looking at the number of enterprises per CCS subsector, the leading subsectors are the Visual Arts subsector and the Performing Arts subsector, representing respectively almost a third (32%) and a quarter (24%) of the entire CCS.

The CCS subsectors offering the most job opportunities are the Audiovisual & Multimedia subsector, followed by the Visual Arts subsector and the Performing Arts subsector. Almost a third (32.5%) of CCS professionals work in the Audiovisual & Multimedia subsector, while respectively 21.8% and 18% are employed in the Visual Arts subsector and the Performing Arts subsector.

The Audiovisual & Multimedia subsector has by the largest economic weight among all CCS, which created more than EUR 1.3 billion in GVA in 2020. It is followed by the Performing Arts subsector and the Books & Press subsector which respectively generated EUR 435 million and EUR 264 million in 2020.

Overall, according to the Republic of Bulgaria, in recent years, growth in the number of enterprises, employment and added value in the CCS industries had tended to be higher than other sectors. This is mostly due to the contribution of information technology, information services and the production, while architecture and advertising are lagging behind.²³

III. Main financing sources for the CCS

The Bulgarian CCS rely mainly on public support, with a notable increase in public funding for the CCS in recent years. The financing of CCS industries in Bulgaria involves various funding sources and mechanisms. One significant source of funding is the National Culture Fund (NCF), established in 2000 under the Ministry of Culture. The NCF aims to support the creation, development, and distribution of Bulgarian culture and art nationally and internationally. It allocates funds through open calls and competitions, with priority areas for support defined annually.

● Direct Public support – Subsidies/Direct expenditure in CCS

Between 2020 and 2021, government spending on cultural services increased from EUR 274 million to EUR 330 million, going from 0.4% to 0.5% of GDP and meeting in 2021 the European average in terms of cultural expenditure.²⁴

The NCF also launched in 2003 an international cultural exchange programme distributing yearly EUR 22,000 for artists' and managers' travel expenses.²⁵ Apart from the NCF, other national funds such as the National Innovation Fund which focuses on new technologies offer relevant opportunities for enterprises in the CCS.

● Sponsorships/Donations

In the past five years, there has been an increase in private business support for cultural projects in Bulgaria. The most active organisations involved are banks, other financial institutions, service enterprises, airlines, and distributors of foreign products as well as industrial enterprises. These enterprises are mostly willing to support sponsorship in the fields of music, literature, theatre, and festivals.

The Bulgarian Donors Forum was founded in 2003 by the Open Society Institute and other organisations. This platform for donors provides information on project support for culture in Bulgaria, stating that the majority of the grants were directed towards contemporary art and for the preservation of cultural and historic heritage. The Donors Forum also revealed that around 60% of the donations come from international institutions and foundations (USA, DE, JP, EU) and 20% from Bulgarian private enterprises. In total, Bulgaria received around EUR 20 million from foreign donors in 2020.²⁶

23 Republic of Bulgaria (2017), Innovation Strategy for Smart Specialisation of the Republic of Bulgaria 2014-2020. https://www.mi.government.bg/files/useruploads/files/innovations/ris3_final_27062017_eng.pdf.

24 Eurostat (2023), Government expenditure on cultural, broadcasting and publishing services. https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Government_expenditure_on_cultural_broadcasting_and_publishing_services&oldid=593681#General_government_expenditure_on_cultural_services.2C_broadcasting_and_publishing_services.

25 Compendium of Cultural Policies and Trends (2020), Country Profile: Bulgaria. https://www.culturalpolicies.net/wp-content/uploads/pdf_full/bulgaria/Full-Country-Profile_Bulgaria.pdf.

26 Angelova, M. (2020), Opportunities for European and National funding for Bulgarian Cultural, Creative and Recreative Business, in *Економічний вісник НТУУ «КПІ»: збірник наукових праць*. – 2020. – n°17. – С. 76-93. <https://ev.fmm.kpi.ua/article/view/205854>.

● Others

NGOs and foundations play a significant role in supporting cultural projects in Bulgaria. Organisations such as the Open Society Institute, Future for Bulgaria Foundation, Cyril and Methodius Foundation, and the NCF have granted substantial funds for cultural projects. These grants support various activities such as talent scouting, exhibitions, competitions, training, and education.²⁷ Typical Bulgarian cultural NGOs include the *Chitalishte*. These cultural community centres are evenly spread throughout Bulgaria's entire territory. They are established by communities and welcome everyone, regardless of age, gender, political affiliation, or religious beliefs. Chitalishta have been a pivotal part of Bulgarian society since their inception in 1856. Governed by the Chitalishta Act of 1996, they operate as non-governmental, self-regulatory organisations. Legally mandated, they engage in cultural and educational activities to preserve Bulgarian customs and traditions, provide access to information, disseminate knowledge, and introduce citizens to science, arts, and cultural values. Chitalishta play a central role in transmitting intangible cultural heritage in the country, with elderly members actively encouraging youth participation. For their role in preserving Bulgarian intangible heritage, in 2017, Chitalishta were selected for the UNESCO Register of Good Safeguarding Practices.²⁸

The importance of international relations in Bulgaria is shown by the wide array cultural cooperation agreements and coproduction treaties signed as from 2001 (more than 100 agreements in place). Large scale international events (festivals, competitions or other events), mainly in the big cities, are mostly organised by local/regional authorities in cooperation with NGOs. The funding for these events is a mixture of local sources, international participation and partially from the Ministry of Culture. The biggest partners in the fields of cultural diplomacy are Institut Culturel Français, Goethe Institute, British Council, Cervantes Institute and Pro Helvetia.

²⁷ Compendium of Cultural Policies and Trends (2020), Country Profile: Bulgaria.

²⁸ UNESCO (2017), Bulgarian Chitalishte (Community Cultural Centre): practical experience in safeguarding the vitality of the Intangible Cultural Heritage. <https://ich.unesco.org/en/BSP/bulgarian-chitalishte-community-cultural-centre-practical-experience-in-safeguarding-the-vitality-of-the-intangible-cultural-heritage-00969>.

MARKET FICHE

— CROATIA



I. Specificity of the Croatian market – context and introduction

The Croatian economy is on the rise and is expected to experience a growth of 1.6% in 2023 and 2.3% in 2024.²⁹ The growth is supported by ongoing increases in real wages and a decrease in inflation, contributing to private consumption. In addition, investment is expected to receive a boost from European funds, while the labour market is anticipated to become even more competitive, with the unemployment rate reaching historically low levels by the end of the forecast period (2024).³⁰ This economic environment is conducive to the development of the CCS and the Croatian government is supporting the sector through targeted policies and initiatives, including the current (2023-2024) study of the Institute of Economics in Zagreb, “Public perception of creative industries in Croatia”.³¹

Research on cultural development and the status of culture in society has shown that the cultural NGO sector has been growing dynamically during the post-2000 period. Cultural policy has largely remained on the periphery, and the cultural budget has consistently remained below 1% of the total State budget over the years. Nonetheless, between 2016 and 2017 the ‘Entrepreneurship in Cultural and Creative Industries’ programme (2008 – ongoing) financed by the Ministry of Culture and Media of the Republic of Croatia received a major financial boost from HRK 1,817,577 (ca. EUR 242,343) and 60 projects funded, to HRK 8,000,000 (ca. EUR 1,066,666) annually and 107 projects funded in 2017, 119 in 2018 and 127 in 2019.³²

Croatia faced unprecedented challenges posed by the COVID-19 pandemic. These challenges prompted the government to take decisive measures to support the sector, like the Loan Guarantee Programme allowing for financial assistance through loans backed by State guarantees. Moreover, as part of the National Recovery and Resilience Plan, significant investments were allocated to the CCS. The Ministry of Culture and Media has been tasked with implementing an investment initiative aimed at strengthening capacity, enhancing competitiveness, and adapting the operations of the cultural and creative industries to the digital single market. Grants totalling HRK 250 million (approximately EUR 33 million) were secured for this purpose. In 2022, the Ministry initiated public discussions to determine the necessary measures and implementation plans for this programme, which is expected to be launched in late 2023/early 2024, providing vital support and opportunities for the cultural and creative industries.³³

29 European Commission, *Economic Forecast for Croatia, 2023*. https://economy-finance.ec.europa.eu/economic-surveillance-eu-economies/croatia/economic-forecast-croatia_en.

30 Ibid.

31 EIZ, Ongoing projects, 2023. <https://www.eizg.hr/projects/ongoing-projects/public-perception-of-creative-industries-in-croatia/6283>.

32 Compendium of Cultural Policies and Trends, *Cultural and Creative Sectors. Croatia, 2023*. <https://www.culturalpolicies.net/database/search-by-country/country-profile/category/?id=7&g1=3>.

33 Compendium of Cultural Policies and Trends, *Cultural and Creative Sectors. Croatia, 2023*. <https://www.culturalpolicies.net/database/search-by-country/country-profile/category/?id=7&g1=3>.

II. Presentation of key market data on the CCS

The Compendium of Cultural Policies and Trends for Croatia was updated in June 2023, allowing for a retrospective analysis of the country's CCS situation before and during the COVID-19 pandemic. It is based on the study by the Institute of Economics (2022), which shows that the CCS in Croatia experienced consistent growth leading up to the onset of the COVID-19 pandemic. In 2019, the CCS contributed 3.1% to the country's domestic GDP. However, in 2020, there was a significant decline of -8.4%, the most substantial decrease compared to other sectors due to COVID-19 pandemic.

Among the CCS subsectors, the pandemic severely impacted the Audiovisual & Multimedia subsector, and the Performing Arts subsector, experiencing a revenue drop of -40.8%. The Visual Arts subsector and Other CCS activities like photography, advertising marketing and publishing experienced decreases of -23.6%, -22.5%, -15.3%, and -11.4%, respectively. The decline in business income was observed across all activities within the CCS. Despite the overall decline, some subsectors showed more resilience to the crisis caused by the COVID-19 pandemic. These included the Heritage, Archives and Libraries subsector, the Architecture subsector and other activities like computer programmes, video games and news media.³⁴

GVA, number of enterprises and of persons employed in 2020 in Croatia						
CCS subsector	GVA at factor cost		Number of enterprises		Number of persons employed	
	EUR million	Share in non-financial business economy	Number	Share in non-financial business economy	Number	Share in non-financial business economy
Architecture	69	0.27%	1,573	0.87%	3,708	0.34%
Audiovisual & Multimedia	1,036	4.09%	8,406	4.66%	32,628	3.00%
Books & Press	329	1.30%	3,142	1.74%	14,883	1.37%
Heritage, Archives & Libraries*	-	-	28	0.02%	276	0.03%
Performing Arts	47	0.18%	1,981	1.10%	3,787	0.35%
Visual Arts	112	0.44%	4,516	2.50%	8,910	0.82%
Other CCS activities	75	0.30%	1,050	0.58%	3,783	0.35%
Total CCS	1,668	6.6%	20,696	11.5%	67,975	6.3%

Source: Eurostat (*GVA does not include data for Heritage, Archives and Libraries)

The Audiovisual & Multimedia subsector is the main CCS subsector in Croatia, representing two thirds of the CCS GVA and almost half of employment in the CCS. It is followed by the Books & Press subsector, which produced EUR 329 million in GVA and generated 14,800 jobs in 2020.

34 Ibid.

III. Main financing sources for the CCS

In Croatia, the State supports the CCS relatively well, and public funding is the main support for the CCS. Local authorities play an important role, especially in larger cities such as Zagreb.

● Direct Public support – Subsidies/Direct expenditure in CCS

According to the Ministry of Culture and Media (2022), public expenditure for CCS in total at all levels of government was HRK 3 billion (EUR 414 million). Moreover, the share of cultural expenditure in total public expenditure in 2021 was 1.47%, while in the previous year, it amounted to 1.61%.

Public cultural expenditure by level of government in 2021			
Level of government	Total expenditure in HRK million	Total expenditure in EUR million*	% share of total
State level*	1,318	175	42%
Regional and local level	1,803	240	58%
<i>Counties</i>	94	13	3%
<i>City of Zagreb</i>	507	67	16%
<i>Cities</i>	1,015	135	33%
<i>Municipalities</i>	187	25	6%
TOTAL	3,121	415	100%

Source: Ministry of Culture and Media, Strategic Planning and Analytics Sector, Directorate for Cultural and Artistic Development

* Cultural expenditure at the state level refers to the budget of the Ministry of Culture and Media of the Republic of Croatia and is reduced by the amount that the City of Zagreb is financing the Croatian National Theatre Zagreb (since 2018).³⁵

There are imbalances in cultural funding at local level. Disparities between funding for the City of Zagreb (16%) and the rest of Croatian cities (33%) highlight the need for equitable distribution. Considering population size and diverse cultural needs, fair allocation fosters creativity, cultural diversity, and tourism, ensuring cultural access and regional development.

● Sponsorship and donations

Private cultural funding in Croatia is quite limited, and there is a notable absence of comprehensive studies or surveys addressing this matter. As a result, it's challenging to gauge the extent of support, such as sponsorship and donations. Croatia lacks a systematic assessment of this type of assistance. The Ministry of Culture and Media maintains records of decisions and certificates related to tax relief for enterprises that have applied for them, but it does not possess information on the specific amounts of these sponsorships or donations. It is worth mentioning that, in many instances, backing for artistic and cultural events is provided in the form of goods and services rather than financial contributions.³⁶

35 Compendium of Cultural Policies and Trends, *Financing and Support. Croatia, 2023*. <https://www.culturalpolicies.net/database/search-by-country/country-profile/category/?id=7&g1=7>.

36 Promorac, Jaka (2021), Croatia. Short Cultural Policy Profile. https://www.culturalpolicies.net/wp-content/uploads/2022/01/Croatia_short_12_2021.pdf.

● Others

At the international level, the Ministry of Culture and Media has implemented initiatives to bolster support for Croatian cultural organisations. A special Rulebook has been introduced to facilitate co-financing projects under the EU programme Creative Europe – Sub-programme Culture. In 2022, approximately EUR 226,666 in annual support has been allocated to these organisations, fostering international collaboration and cultural exchange.³⁷ These international funding initiatives complement Croatia's commitment to nurturing its CCS promoting cultural exchange and strengthening the sector's financial sustainability.

³⁷ Compendium of Cultural Policies and Trends, *Cultural Policy System. Croatia, 2023*. <https://www.culturalpolicies.net/database/search-by-country/country-profile/category/?id=7&g1=1>.

MARKET FIGHE

— CYPRUS



I. Specificity of the Cypriot market – context and introduction

Following a robust growth of 5.6% in 2022, Cyprus anticipates a gradual economic slowdown to 2.3% and 2.7% in 2023 and 2024, respectively, driven by persistent inflationary pressures and rising interest rates. The resilient labour market is a key feature, with Cyprus maintaining a government budget surplus over the forecast horizon. In addition, public debt is on a declining trajectory, projected to reach 72.5% of GDP by 2024. Employment surged by 2.9% while the unemployment rate significantly decreased to 6.8% from 7.5% in 2021. In 2023, a slight increase to 6.9% is foreseen, aligning with the GDP growth slowdown, with further improvement expected in 2024 as labour-intensive service sectors continue their expansion.³⁸

Sitting at cultural, linguistic, and historic crossroads between Europe and Asia, Cyprus boasts a multicultural demographic composition and unique situation in the Mediterranean. The long-standing conflict between the Greek Cypriot majority and the Turkish Cypriot minority resulted into an actual – although internationally unrecognised – partition of the island and slowed down the development of Cyprus' cultural policy.

The first service within the Ministry of Education, Culture, Sport, and Youth with exclusive oversight of cultural matters was established in 1965,³⁹ initially named the Cultural Service. In 1992, following its elevation to departmental status, it was renamed the Department of Cultural Services, which serves as the primary representative of the State's cultural policy, particularly in the realm of contemporary culture. It holds responsibilities for advancing the arts and literature in Cyprus, fostering public engagement with the cultural landscape, and promoting cultural achievements internationally, all of which play a vital role in shaping the island's cultural identity. The country's cultural landscape experienced significant changes following its accession to the EU in 2004, providing opportunities for further development and internationalisation of the CCS in Cyprus.

To support the CCS, Cyprus has implemented multiple programmes and frameworks focusing on different areas such as the Book & Press subsector and music industry, as well as theatre, dance, cinema, and festivals. One notable milestone occurred in 2017 when Pafos held the title of European Capital of Culture. This event featured an extensive cultural programme, funded with EUR 8.5 million that aimed to foster intercultural dialogue and collaboration between the Northern and Southern parts of Cyprus. The programme successfully bridged cultural divides and promoted cultural exchange and cooperation.

38 European Commission, Economic Forecast for Cyprus, 2023. https://economy-finance.ec.europa.eu/economic-surveillance-eu-economies/cyprus/economic-forecast-cyprus_en.

39 Cyprus Ministry of Education, Sport and Youth. Annual Report (2021). https://archeia.moec.gov.cy/mc/605/annual_report_2021_en.pdf.

II. Presentation of key market data on the CCS

Employment in CCS accounted for 11.4% of total employment in 2020, and CCS enterprises for 6.9% of the total non-financial economy in 2020. The GVA generated by the CCS amounted to EUR 1,363 million or 14.3% of the non-financial business economy in 2020.⁴⁰

The Audiovisual & Multimedia subsector and the Visual Arts subsector are the most important CCS subsectors in terms of number of enterprises as they collectively represent more than half of total enterprises in the CCS.

GVA, number of enterprises and of persons employed in 2020 in Cyprus						
CCS subsector	GVA at factor cost		Number of enterprises		Number of persons employed	
	EUR million	Share in non-financial business economy	Number	Share in non-financial business economy	Number	Share in non-financial business economy
Architecture	38	0.40%	746	1.26%	1,613	0.59%
Audiovisual & Multimedia	1,165	12.23%	1,727	2.92%	7,971	2.90%
Books & Press	51	0.54%	792	1.34%	2,214	0.81%
Heritage, Archives & Libraries	31	0.32%	57	0.10%	176	0.06%
Performing Arts	39	0.41%	1,319	2.23%	2,192	0.80%
Visual Arts	86	0.82%	1,727	2.92%	3,515	1.28%
Other CCS activities	31	0.32%	380	0.64%	1,196	0.43%
Total CCS	1,363	14.3%	6,748	6.9%	18,877	11.4%

Source: Eurostat (*GVA does not include data for Heritage, Archives and Libraries)

The Audiovisual & Multimedia subsector stands out as well as the largest economic contributor, generating over EUR 1.16 billion in GVA, followed by the Books & Press subsector with EUR 51 million. Notably, Cyprus recorded the highest percentage of GVA for the domain of Publishing encompassing books, newspapers, journals, periodicals, and computer games across EU countries.

In terms of employment, the Audiovisual & Multimedia subsector in Cyprus employs the largest number of individuals, with 7,971 employees, followed by the Visual Arts subsector with 3,515 employees. Overall, the number of employees in the CCS decreased by 5.7% between 2019 and 2020 but increased by more than 38% between 2020 and 2022.⁴¹

⁴⁰ Eurostat (2022), Culture statistics.

⁴¹ Ibid.

III. Main financing sources for the CCS

The CCS in Cyprus receive financing from various sources, including direct support through a range of different subsidy programmes.

● Direct Public support – Subsidies/Direct expenditure in CCS

The primary source of funding for artists' activities comes from the Department of Cultural Services of the Ministry of Education, Culture, Sport and Youth. In 2021, the total budget of the Department amounted to EUR 15 million, encompassing both regular and developmental expenses. The primary guiding document for policy implementation is the Culture Programme II 2021-2025⁴², whose key components include supporting cultural bodies in international networking, and introducing an Annual Grants Program, which provides financial aid for different art forms through a series of subsidised programmes:⁴³

Subsidy programmes for individual artists in the fields of literature, music, theatre, visual arts, folk culture/cultural heritage, dance, and film.

For instance, in the dance sector in 2021, the "Terpsichore Programme" provided financial support to six choreographers/contemporary dance groups for new productions and research in the field of contemporary dance and eleven groups of individuals and individuals were subsidised for activities carried out in Cyprus and abroad.⁴⁴

- Subsidy programmes for cultural agencies, organisations, and foundations in various artistic fields, including letters, music, theatre, visual arts, folk culture/cultural heritage, dance, and film.
- Within the framework of the Plan to "Support Cultural Institutions to Meet the Needs of Promotion, Communication and International Networking" which has a budget of EUR 40,000, three dance institutions received funding, namely the Lefkosia Dance House, the Dance House of Lemesos and the Lekosia Youth Ballet.⁴⁵
- Subsidy programmes for the cultural development of municipalities and communities offering subsidies for cultural projects and initiatives.

During the 2021 Programme for Cultural Decentralisation which took place in the Cypriot countryside from July 2 to November 3, 13 productions were presented, which included Theatrical Performances, Concerts and Music Workshops, Dance Performances, Art Exhibitions and Lectures on Cypriot Themes.⁴⁶

Another initiative is the Cultural Decentralisation Program, an important endeavour in the realm of regional development. The primary goal of this initiative is to promote, cultivate, and disseminate culture while creating opportunities for engagement, understanding, participation, and artistic expression among a broad spectrum of rural areas. It also encourages the mobility of artists and cultural professionals, supporting their creative work.

In the field of cinema, the Cinema Ministerial Committee provides support for short productions and the production of documentary films based on recommendations by the Cinema Consultative Committee.

42 [Annual_report_2021_en.pdf \(moec.gov.cy\)](#).

43 Culture Programme 2021-2025.

44 Ministry of Education, Culture, Sport and Youth, Annual Report 2021.

45 Ibid.

46 Ibid.

In addition, grants, awards, and scholarships are available to artists, including state literary awards, awards for children's/youth literature and illustration, honorary monthly grants, grants for studies in contemporary Cypriot culture, and purchases for the State Collection of Contemporary Cypriot Art.

Public support is extended to professional artists' associations or unions. Major associations of writers, visual and performing artists receive subsidies through the state grant system. The Fine Arts Chamber and other associations of self-taught and amateur artists, such as EKATE, ENAZ, and the Cyprus Centre of Cypriot Composers, also receive support.

● Others

Cultural diplomacy plays a role in supporting artists, as cultural services are provided in the context of Cypriot Cultural Centres abroad. These centres contribute to promoting Cypriot culture internationally and supporting artists in their cultural endeavours.

In Cyprus, efforts have been made to reduce obstacles to young people's access to culture. The Youth Board of Cyprus provides funding through the "Youth Initiatives" scheme, supporting cultural activities and projects. The Larnaca Cultural Foundation for Children and Youth promotes equal opportunities for young people to participate in cultural and artistic experiences. The Cyprus Theatre Organisation organises workshops and offers reduced ticket prices for young people. The Department of Cultural Services offers funding opportunities for professionals, NGOs, and the public in various cultural fields. Youth Information Centers and the Cyprus Music Information Centre provide information on cultural opportunities.⁴⁷

⁴⁷ European Commission (2023), Cyprus: 8.4 Promoting culture and cultural participation, in Youth Wiki. <https://national-policies.eacea.ec.europa.eu/youthwiki/chapters/cyprus/84-promoting-culture-and-cultural-participation>.

MARKET FIGHE

— CZECH REPUBLIC



I. Specificity of the Czech market – context and introduction

In 2023, the Czech economy is expected to “weaken on its way to recovery”, with a slowdown in real GDP growth, expected to reach 0.2% this year. This deceleration is primarily attributed to high price pressures and tight domestic financial conditions. Inflation is projected to stay around 12% in 2023 but is anticipated to decrease to 3.4% in 2024. Energy support measures still influence the general government deficit in 2023. Still, it is predicted to decrease to 3% in 2024, which should be coupled with a stabilisation in the labour market and an increase in real wages (still declining in 2023). Amidst the economic slowdown, the labour demand is still high, with shortages of skilled workers.⁴⁸

Currently, the Ministry of Culture of the Czech Republic is implementing its “Cultural policy of the Czech Republic 2021–2025”. This policy is a new transformative approach undertaken in response to the damage that the COVID-19 pandemic caused to the CCS. By recognising the significance of culture and its cross-sectoral influence, the new policy follows other European strategies in emphasising the importance of a comprehensive understanding of culture in revitalising the CCS. There has been a growing recognition of the need to connect culture and creativity not only with business, regional development, and social aspects but also with domains like education and healthcare. In this context, the Ministry of Culture aims to collaborate effectively with other public administration and private sector branches (i.e. the Ministry of Foreign Affairs, CzechInvest, innovation and creative centres, etc.). The policy also serves as a framework for cooperation between the public administration and the private sector in this field. “Development of cultural and creative industries” is one of the six leading objectives of the cultural policy.⁴⁹ Furthermore, as a part of a Memorandum of Cooperation between the Ministry of Culture and the Ministry of Industry and Trade (2019), both ministries have committed to increasing the competitiveness of domestic cultural and creative industries.⁵⁰

In the cultural realm, Czech operators successfully married their rich cultural legacy with an advanced ICT infrastructure, which benefits the CCS. Industries like the Video Games, virtual reality (VR), augmented reality (AR), Design, Architecture, Film, and Crafts. Czech Design and Crafts enterprises collaborate with large corporations, inform smart cities policies around the world and are among the globally recognised exporters of glass products.⁵¹

48 European Commission, *Economic Forecast for Czechia*, 2023. https://economy-finance.ec.europa.eu/economic-surveillance-eu-economies/czechia/economic-forecast-czechia_en.

49 Ministry of Culture of the Czech Republic, *Cultural policy of the Czech Republic*. <https://www.mkcr.cz/en/cultural-policy-of-the-czech-republic-en-983>.

50 The Ministry of Industry and Trade of the Czech Republic, *Memorandum of Cooperation between the Ministry of Culture and the Ministry of Industry and Trade*, 2019. <https://www.mpo.cz/cz/rozcestnik/pro-media/tiskove-zpravy/memorandum-o-spolupraci-v-kontextu-s-rozvojem-a-podporou-kulturnich-a-kreativnich-prumyslu-pod-psano--250957/>.

51 *Compendium of Cultural Policies and Trends, Cultural and Creative Sectors. Czech Republic (2023)*. <https://www.culturalpolicies.net/database/search-by-country/country-profile/category/?id=9&g1=3>.

II. Presentation of key market data on the CCS

The Satellite Account of Culture of the Czech Republic, or the so-called “Cultural Account [účet kultury]”, was first developed in a pilot version for the reference year 2009. The report for 2023 will be the 15th edition of the Cultural Account, which constitutes this section’s primary source of information.⁵²

An overview of the contribution of the CCS to the Czech economy in 2020						
CCS subsector	Income revenue total (CZK million)	GVA (CZK million)	Income revenue total (EUR million)	GVA (EUR million)	Number of employees	Number of enterprises
Cultural Sector (Cultural Heritage, Performing Arts, Fine Arts, Arts Education, Crafts)	43,682	36,719	1,665	1,399	36,814	18,915
Cultural Industries (Film and Video, Music, Television, Radio, Publishing, Video Games)	90,933	44,985	3,465	1,714	19,285	20,995
Creative Industries (Architecture, Advertising, Design)	110,965	36,349	4,228	1,385	20,955	41,560
Administration and support of culture	3,254	3,146	124	120	2,922	4,063
Total CCS	248,834	121,200	9,482	4,618	79,976	85,533

Source: Culture Account for 2020, NIPOS and Czech Statistical Office, Prague 2022

While the Cultural Heritage subsector and the Performing Arts subsector are the largest employers (19,196 and 13,926 employees, respectively), they do not produce an outstanding income (131% and 74% in relation to the average). Meanwhile, Advertising, Publishing, and, to some extent, Architecture are leaders in the number of workplaces (12,854, 10,987 and 7,236 employees, respectively), annual income (445%, 230% and 230% beyond the average) and GVA (272%, 166%, and 146% beyond the average) they produce. The figures are specific to the year that the COVID-19 pandemic took its toll on CCS globally and before the new political approach to the creative economy presented in the introduction. They also indicate that the most internationally recognisable Czech cultural products (video games, films, and crafts) might have not reached their full economic potential yet.

In 2020, the total GVA of the CCS amounted to CZK 121 billion (EUR 4.6 billion), totalling 2.35% of the total GVA in Czech Republic.⁵³

⁵² Centrum informací a statistik kultury, Satelitní účet kultury (2023). <https://www.statistikakultury.cz/satelitni-ucet-kultury/>.

⁵³ Compendium of Cultural Policies and Trends, *Cultural and Creative Sectors. Czech Republic*, 2023. <https://www.culturalpolicies.net/database/search-by-country/country-profile/category/?id=9&g1=3>.

III. Main financing sources for the CCS

The CCS in the Czech Republic benefit from a balanced financing model, with clear public support, especially from local authorities (70% of total public funding for the CCS), combined with a high level of household expenditures on culture and other private financing sources.

● Direct Public support – Subsidies/Direct expenditure in CCS

In 2020, the culture sector received a total of CZK 261 billion (EUR 10 billion) in resources. This represented a decrease of 4.8% (CZK 13.1 billion or EUR 499 million) compared to the previous year, after experiencing annual increases of 3.8% on average between 2014 and 2019. The decline was mainly attributed to reduced household spending on culture (CZK 5.3 billion or EUR 202 million less) and lower income from cultural activities for business entities, particularly private ones (CZK 14.7 billion or EUR 560 million less). The closure and restrictions imposed during the COVID-19 pandemic, such as the inability to hold cultural events, greatly impacted this reduction in cultural funding. In 2020, the public budget allocated CZK 46.7 billion (EUR 1,779 million) to culture, which was an increase of CZK 3.7 billion or EUR 141 million (8.6%) compared to the previous year. This amount included expenditures for operations and investment provided by the State, regional administrative authorities, and state extra-budgetary funds (such as the Fund for Culture and the Fund for the Support and Development of Czech Cinematography) based on budget performance.

Regional budgets (35.72%) and municipal budgets (33.8%) provided the most cultural resources, particularly in Cultural Heritage, the Performing Arts, and Arts Education. The resources dedicated to culture in 2020 accounted for 2.5% of the total public budget.

● Sponsorship/Donations

According to the Culture Account, private expenditures on culture include household expenditures and other private funding sources such as for-profit organisations, non-financial businesses (CZK 157 billion or EUR 6 billion in 2020), as well as non-profit organisations (CZK 3 billion or EUR 114 million in 2020). In 2020, private resources supported mainly Advertising, Architecture, Media and Press.

The existing tax system in the Czech Republic does not particularly encourage philanthropy or patronage. The system provides more advantages to sponsors compared to donors. Expenses related to promotion and advertising can be deducted from taxes, allowing sponsors to apply the total amount to their taxable income. However, the deductible amount for "gifts" is limited to a percentage of the tax base. As a result, sponsorships are often structured as advertising contracts, cooperation agreements, or space leases rather than direct donations. The legislation in the Czech Republic does not sufficiently address patronage.

● Others

Nevertheless, there are currently ongoing changes aimed at improving this situation. There is a prevailing sceptical stance towards developing public-private partnership (PPP) projects in the cultural sector. Thus far, the project for constructing the National Technical Library stands out as the sole notable PPP initiative in culture.

As per the Lottery Act, organisations running lotteries and similar games must allocate some of their earnings towards public benefit initiatives, including cultural activities.⁵⁴

MARKET FICHE

DENMARK



I. Specificity of the Danish market – context and introduction

The forecast for Denmark's economy is optimistic. Despite flagging in the latter half of 2022 and early 2023, economic growth is set to climb back up to 1.4% in 2024, driven by renewed private consumption, excess savings and a strong labour market.⁵⁵ Exports (especially in the pharmaceutical and maritime transport industries) contributed strongly to growth in 2022 but the trade surplus decreased in the first half of 2023, driven by a strong increase in imports⁵⁶. Inflation reached 10.1% in October 2022 before starting to ease from November, driven by lower energy prices.⁵⁷

Denmark, akin to its Nordic counterparts, benefits from significant public provision of services and financing. In fact, public authorities have been responsible for fostering and providing funding for culture since the 16th century, when responsibility was passed from the Church to the Court.⁵⁸ Long-standing State support has resulted in the establishment of a robust cultural infrastructure. Since the 1990s, public cultural policies in Denmark have increasingly been directed towards economic and political objectives, such as attracting tourists to support economic development and securing highly skilled employees for the creative industries in a globalised knowledge economy. The organisation of the 2017 European Capital of Culture in Aarhus, Denmark's second city, led to increased investment in culture. Almost 2000 jobs were created as a result, while cultural initiatives boosted private sector turnover in the Central Denmark Region by three times the public contribution.⁵⁹

Efforts have been made to integrate the CCS into the overall economic system, with performance contracts and efficient management practices introduced in cultural institutions, underpinned by the idea that closer interactions between the cultural and business communities can trigger a new social dynamic. By nurturing such interactions, culture and the arts are strengthened, opening new avenues for development and providing impetus for industrial growth fuelled by innovation, creativity and resourcefulness.

II. Presentation of key market data on the CCS

According to Eurostat cultural statistics, the Danish CCS generated a turnover of EUR 8,959 million in 2020.⁶⁰ Moreover, the CCS employed 130,582 people in 2020, or 7.4% of the total employment. CCS enterprises made up 12.2% of non-financial business economy within the Danish economy in 2020.

55 OECD (2023), Denmark Economic Outlook. https://issuu.com/oecd_publishing/docs/denmark-oecd-economic-outlook-june-2023?fr=sODZIZjUwNTY2MTA.

56 European Commission (2023), Economic forecast for Denmark. https://economy-finance.ec.europa.eu/economic-surveillance-eu-economies/denmark/economic-forecast-denmark_en.

57 Trading Economics, Denmark Inflation Rate. <https://tradingeconomics.com/denmark/inflation-cpi>.

58 Compendium of Cultural Policies & Trends (2019) Denmark 1.1. https://www.culturalpolicies.net/country_profile/denmark-1-1/.

59 COWI (2017), Economic Impact Assessment of Aarhus 2017. <http://www.aarhus2017.dk/media/12764/cowi-april-2018-economic-impact-assessment-of-aarhus-2017.pdf>.

60 Eurostat.

GVA, number of enterprises and of persons employed in 2020 in Denmark

CCS subsector	GVA at factor cost		Number of enterprises		Number of persons employed	
	EUR million	Share in non-financial business economy	Number	Share in non-financial business economy	Number	Share in non-financial business economy
Architecture	661	0.39%	1,874	0.82%	8,355	0.47%
Audiovisual & Multimedia	4,301	2.55%	8,759	3.82%	46,851	2.65%
Books & Press	1,197	0.71%	2,355	1.03%	23,252	1.31%
Heritage, Archives & Libraries*	-	-	110	0.05%	2,946	0.17%
Performing Arts	831	0.49%	5,075	2.21%	16,571	0.94%
Visual Arts	1,053	0.63%	7,885	3.44%	21,836	1.23%
Other CCS activities	917	0.54%	1,929	0.84%	10,771	0.61%
Total CCS	8,960	5.3%	27,987	12.2%	130,582	7.4%

Source: Eurostat (*GVA does not include data for Heritage, Archives and Libraries)

The Audiovisual & Multimedia subsector boasts the highest number of enterprises, at 8,759, and a value added of EUR 4,301 million. The Visual Arts subsector closely follows with 7,885 enterprises although it contributes less to value added (EUR 1,053 million). Indeed, the Books & Press subsector, comprising 2,355 enterprises, contributes slightly more to the economy with a value added of EUR 1,197 million.

The Audiovisual & Multimedia subsector is by far the largest employer among the CCS as it represents 36% of total employment in the CCS. The Books & Press subsector, and the Visual Arts subsector each employ almost one fifth of CCS workers, whereas there were only 2,946 professionals in the Heritage, Archives and Libraries subsector in 2020, representing just 2% of CCS employees.

III. Main financing sources for the CCS

Public funding plays a significant role in supporting the CCS in Denmark. The country's cultural funding system is highly decentralised, with municipalities being a crucial source of financial support.

● Direct Public support – Subsidies/Direct expenditure in CCS

Overall, in 2022 EUR 3,545 million was spent by public institutions for cultural purposes. In 2022, municipalities allocated EUR 1,509 million for cultural purposes, reflecting their commitment to promoting local artistic and cultural initiatives.

Public funding for cultural purposes in 2022 (EUR million)	
TOTAL PUBLIC FUNDING	3,545
Municipalities	1,509
TOTAL STATE FUNDING	2,036
National Budget (State Budget) – Ministry of Culture	1,772
National Budget (State Budget) – other ministries	57
Lotto Funds	207

Source: Statistics Denmark, Funding and payments in the cultural field⁶¹

At the national level, the central government provides substantial funding of EUR 2,036 million for cultural activities. The Ministry of Culture channels a significant portion of state funding, with EUR 1,772 million allocated from the national budget in 2022. Other ministries also contribute to the overall state funding for cultural purposes, with EUR 57 million dedicated to supporting artistic and cultural initiatives.

Lotto Funds, generated from lottery revenues, provided EUR 207 million to support cultural activities in 2022. Lotto Funds' allocations contribute to the development and accessibility of arts, culture and sports in Denmark.

According to Statistics Denmark, in 2020 the main recipients of public funding came from the fields of Media, Library and Literature, and Sports and Recreation.

The Danish Arts Council, a national agency, provides financial support to CCS actors, notably by supporting Danish artists participating in international events and offering grants through programmes like DIVA which supports artists-in-residence. The Council also facilitates the presentation of foreign art in Denmark.

● Sponsorship/Donations

Denmark's system for funding cultural activities also incentivises private support. Private actors and firms can contribute to the arts through tax-reducible sponsorship and private arts foundations. The government encourages such indirect support through tax legislation, including VAT exemptions for first-time sales of artworks. Private Danish foundations have increasingly provided grants, awards and scholarships to individual artists and public cultural institutions.⁶²

● Others

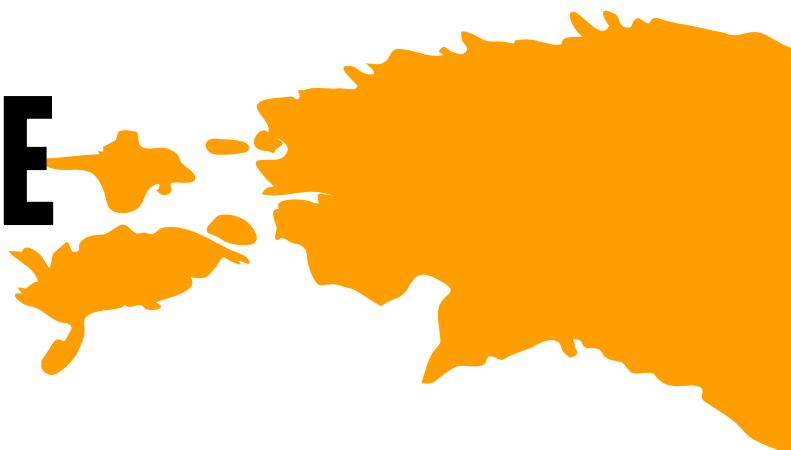
Finally, Denmark actively promotes international cultural cooperation and exchange. The country supports Danish artists' participation in international events and offers a visiting programme for artistic and cultural representatives from abroad. These initiatives strengthen Denmark's artistic presence globally and foster cross-cultural dialogue and collaboration.

61 Statistics Denmark, Funding and Payments in the Cultural Field. <https://www.dst.dk/en/Statistik/emner/kultur-og-fritid/kulturomraadets-uddannelse-oekonomi-og-beskaeftigelse/kulturomraadets-bevillinger-og-udbetalinger>.

62 Compendium of Cultural Policies & Trends (2019) 7. Denmark. Financing and Support. <https://www.culturalpolicies.net/database/search-by-country/country-profile/category/?id=10&g1=7>; https://www.culturalpolicies.net/country_profile/denmark-1-1/.

MARKET FICHE

— ESTONIA



I. Specificity of the Estonian market – context and introduction

Since its independence in 1991, Estonia has made tremendous progress towards greater economic prosperity. Estonia enjoys solid institutions, political stability, a strong and credible fiscal policy, as well as a robust financial sector.⁶³ Estonia has positioned itself as a digital and business-friendly country, with a flagship e-residency programme and fully digitalised public services.

Stable and secure digital services are in fact one of the factors that have allowed Estonia to cushion better than others the sanitary and economic shock from the COVID-19 pandemic. The Estonian economy is however affected by the impact of Russia's war in Ukraine and is expected to decrease by 1.3% in 2023 before expanding by 3.2% in 2024, thanks to lower energy prices.⁶⁴

Acknowledging and valuing the potential of CCS in Estonia is part of the strategy to position the country as an innovative economy. The Ministry of Culture and the Ministry of Economic Affairs and Communications are responsible for the development of the CCS. Close cooperation between the two ministries led to the inclusion of the CCS in the country's long-term strategy "Estonia 2035".⁶⁵

Estonia has developed a Cultural development plan "Culture 2030", which focuses on three main priorities: 1) strong and functional cultural field; 2) preserved and valued cultural memory; 3) Culture and creativity is valued in the society.

An important feature of the CCS in Estonia is the role of creative incubators which act as hotspots for the Estonian Creative Economy across the country – including for instance the Tartu centre for creative industries⁶⁶ or Tallinn Creative Hub.⁶⁷

II. Presentation of key market data on the CCS

The Estonian Institute of Economic Research regularly runs targeted studies on the CCS since 2005. Its latest report was published in 2022 and analyses different economic variables, using data from 2019.⁶⁸

The 10,703 CCS enterprises in Estonia generated revenues of EUR 1.8 billion and employed 28,278 persons in 2019.⁶⁹ The main subsectors in terms of number of enterprises are music, architecture, and advertising. Publishing is however the largest sector when it comes to revenue and jobs,

63 OECD (2022), Economic Survey of Estonia. <https://www.oecd.org/economy/estonia-economic-snapshot/>.

64 Ibid.

65 <https://valitsus.ee/en/estonia-2035-development-strategy/strategy/strategic-goals>.

66 <https://loovtartu.ee/>.

67 <https://kultuurikatel.ee/en/>.

68 Estonian Institute of Economic Research, Survey and Mapping of the State of Affairs in the Estonian Creative Industries. Tallinn, March 2022.

69 Ibid.

followed by advertising (for revenue) and architecture (in terms of number of employees). Interestingly, the publishing sector is growing across all key macroeconomic indicators, whereas this sector is on a downward trend in most other European countries.

CCS subsector	Number of enterprises		Total revenue (EUR million)		Number of employees	
	2015	2019	2015	2019	2015	2019
Architecture	1,403	1,388	152	209	3,430	3,700
Film and video	635	953	76	131	1,196	1,546
Broadcasting	86	62	161	194	1,776	1,783
Design	677	1,096	42	56	1,060	1,141
Performing Arts	419	711	69	67	3,004	2,199
Publishing	769	793	324	348	5,000	4,754
Crafts	320	332	14	19	1,045	893
Museums	256	191	89	86	1,733	1,497
Libraries	946	875	42	52	2,670	2,416
Visual Arts	210	1,075	12	24	1,215	1,174
Video Games	48	57	100	125	989	1,123
Music	1,642	1,921	141	185	4,940	3,051
Advertising	1,160	1,249	258	367	2,623	3,001
Total CCS	8,571	10,703	1,481	1,863	30,681	28,278
Share of Estonian Economy	11.2%	11.6%	4.8%	4.2%	2.8%	2.6%

Source: Estonian Institute of Economic Research, 2022

From 2015-2019, the key economical statistical indicators of the creative industries improved, as total revenue grew, and the number of enterprises increased. Internationalisation and export have developed, growing from EUR 293 million in 2015 to EUR 411 million in 2019.⁷⁰ The main export markets are Estonia's neighbouring countries (Nordic countries, Latvia, Lithuania). The overall Estonian economy grew at a faster pace and the share of the CCS in the Estonian economy is slightly decreasing, which is largely explained by the stable or negative economic performance of non-commercial subsectors (e.g. part of the museums and performing arts sectors) in the CCS.

III. Main financing sources for the CCS

Support to the CCS in Estonia is channelled through a mix of cultural funding together diverse programmes to strengthen creative businesses, including incubation and acceleration services, as well as support to innovation and exports.

70 Estonian Institute of Economic Research, Survey and Mapping of the State of Affairs in the Estonian Creative Industries. Tallinn, March 2022.

● **Direct Public support – Subsidies/Direct expenditure in the CCS**

The Culture Budget for 2022 amounted to EUR 290 million or 2% of the total expenditures and investments in the State budget.⁷¹

The main funding programmes include the Cultural Endowment of Estonia (mainly funded through the gambling tax and export duties), with a EUR 25 million budget in 2023. It supports annual endowments across most CCS, as well as cultural cooperation projects between Estonia, Latvia and Lithuania.

Additional support was unlocked to address the impacts of COVID-19 pandemic on the CCS. A relief package of EUR 42 million for culture was decided by the Government of Estonia in March 2021. EUR 21 million will be allocated to support cultural events organisers, for example, the music sector, museums and performing arts establishments. EUR 5.3 million were earmarked towards cinemas, film production and film distributors. EUR 6.7 million will go towards supporting freelance creative persons. A separate risk fund in the amount of EUR 6 million aimed at securing international large-scale cultural events with significant economic impacts. This represents an unprecedented effort to support the CCS in Estonia.

● **Indirect support – tax incentives and skills development**

Estonia strongly supports the audiovisual sector. In 2016, the Estonian Film Institute (EFI) launched a new cash rebate system, Film Estonia, to attract more international film productions to Estonia with a 30% tax rebate on audiovisual production. The goal of the EFI's support scheme was to attract new foreign filmmakers and crews to film in Estonia, thus fostering the influx of foreign capital into the Estonian economy.⁷²

Several policies and instruments are aimed at improving the entrepreneurial and management capacity in CCS, notably through the support to incubation programmes and business accelerators (e.g. Creative Estonia or Creative Gate, a creative industry development centre with the primary aim of developing entrepreneurship and export potential of the Estonian and Baltic Audiovisual sector, financed by Enterprise Estonia), strategy and management masterclasses.

● **Others**

In addition, Estonia has launched programmes which are aimed at fostering innovation in CCS, through cross-sectoral innovation programmes, and interdisciplinary research and development activities. In terms of business support, Estonia focuses on promoting international cooperation and export in CCS, providing services and programmes of CCS development centres, facilitating participation in international networks and events. Enterprise Estonia has set up an export grant scheme (up to EUR 50,000 per enterprise) for creative industries to provide support to enterprises which are just getting started in export or want to invigorate their exporting activities.

⁷¹ <https://www.kul.ee/en/culture2030>.

⁷² <https://filmestonia.eu/film-estonia-funding/>.

MARKET FIGHE

— FINLAND



I. Specificity of the Finnish market – context and introduction

Finland showed a similar pattern to many other countries, with real GDP growing 2.1% in 2022 supported by private consumption as COVID-19 restrictions were lifted. Public consumption and inventory accumulation also played a role. However, Finland experienced mild recession in the latter half of 2022. Projected GDP growth shows recovery reaching 0.2% in 2023, yet this sits below the euro area average of 0.8%. 2022 was also a year of high inflation, linked to rising energy and food prices. As prices calm, inflation is forecast to fall to 4.8% in 2023 and 2.1% for 2024. Despite difficult economic times, unemployment remains relatively constant, at 6.8% in 2022 rising to 7.1% in 2023 before a predicted return to 2022 levels for 2024.⁷³

Since the 1960s, as part of the welfare state ideology of the Nordic model, Finnish cultural policy embraced the idea that culture and creativity can foster economic and social development.⁷⁴ Reflecting this mindset, cultural diversity has been one of the key themes in recent years in Finnish cultural policy, one priority being to open the Finnish CCS to foreign-born artists. In January 2020, the Ministry of Education and Culture appointed a Working Group for Cultural Policy, Immigrants and Cultural Diversity to strengthen the social inclusion and participation of people of foreign origin through arts and culture with a view to increasing dialogue and understanding between different population groups.⁷⁵

Finland boasts an active CCS, including vibrant Architecture and Design sectors with contemporary buildings like the Finlandia Hall designed by Alvar Aalto or the Säynätsalo Town Hall, and the design brand Marimekko. Finland's creative landscape extends to the realm of Video Games and especially Mobile Games, currently the fastest growing sector in the country, with successful ventures such as "Angry Birds", a mobile game developed by Rovio Entertainment and the "Max Payne" video game series by Remedy Entertainment.

The city of Oulu, located in Northern Finland, has been chosen as a European Capital of Culture for 2026, joining the Finnish cities of Helsinki (2000) and Turku (2011), previous holders of the title. Since 2020, Finnish sauna culture has been recognised as Intangible Cultural Heritage of Humanity by UNESCO. Sauna culture is deeply ingrained in Finnish society and influences the CCS, in particular design and architecture.⁷⁶

73 European Commission (reviewed 2023), Economic forecast for Finland. https://economy-finance.ec.europa.eu/economic-surveillance-eu-economies/finland/economic-forecast-finland_en.

74 S. Sokka & A. Kangas (2007), At the Roots of Finnish Cultural Policy: Intellectuals, Nationalism, and the Arts, International Journal of Cultural Policy, 13(2). <https://jyx.jyu.fi/bitstream/handle/123456789/46311/sokkakangas2007.pdf?sequence=1>.

75 Compendium of Cultural Policies & Trends (2017), Cultural Policy System. <https://www.culturalpolicies.net/database/search-by-country/country-profile/category/?id=12&g1=1>.

76 UNESCO, Sauna Culture in Finland. <https://ich.unesco.org/en/RL/sauna-culture-in-finland-01596>.

II. Presentation of key market data on the CCS

In 2021, the CCS generated a total value added of EUR 6,788 million and employed 71,800 people in Finland. These numbers correspond to 3.13% of the whole economy's GVA and 2.7% of total employment respectively.

CCS subsector	GVA (EUR million)			Evolution of the GVA (%)		Employment
	2019	2020	2021	From 2019 to 2020	From 2019 to 2021	2021
Audiovisual & Multimedia	1,759	1,887	2,304	+7.28%	30.98%	24,000
<i>Including</i>	1,068	1,142	1,548	6.93%	44.94%	7,200
<i>Motion Pictures, Videos and Computer Games</i>						
Visual Arts	746	683	778	-8.45%	4.29%	1,200
Performing Arts	956	678	831	-29.08%	-13.08%	11,500
Books & Press	1,623	1,437	1,462	-11.46%	-9.92%	15,500
<i>Including</i>	795	669	700	-15,85%	-11,95%	76,00
<i>Newspapers, Periodicals and News Agencies</i>						
Heritage, Archives & Libraries	339	330	349	-2.65%	2.95%	9,300
Architecture	438	438	454	0%	3.65%	5,300
Other CCS	615	582	609	-5.37%	-0.98%	5,000
Total CCS	6,475	6,034	6,788	-6.81%	4.83%	71,800
Whole economy, total	207,291	206,158	217,137	-0.55%	4.75%	2,695,200

Source: Statistics Finland, Culture satellite accounts⁷⁷

The Audiovisual & Multimedia subsector contributed most to the Finnish economy in 2021, generating more than EUR 2.3 billion of GVA, including the subsector Motion Pictures, Videos and Computer Games, which accounted for more than EUR 1.5 billion in GVA, recording growth of 44.94% between 2020 and 2021. The Audiovisual & Multimedia subsector is followed by the Books & Press subsector, which generated a decreasing yet significant GVA of EUR 1,462 million in 2021.

⁷⁷ Statfin – Culture output, gross value added and employed persons by industry 2008-2021. https://pxdata.stat.fi/PxWeb/pxweb/en/StatFin/StatFin_klts/statfin_klts_px-t_12av.px/table/tableViewLayout1/.

While the COVID-19 pandemic negatively affected the Finnish economy, with whole economy GVA dropping by 0.55% between 2019 and 2020, the CCS experienced a particularly strong economic downturn with a drop in GVA of 6.81%. Nevertheless, CCS displayed slightly faster growth than the whole economy in 2021, exhibiting positive signs of recovery.

The Performing Arts subsector was most impacted by the COVID-19 pandemic, experiencing a 29% decrease in GVA between 2019 and 2020 which was only partly mitigated in 2021 when the growth rate was still negative, at 13%. The Books & Press subsector similarly experienced a downturn between 2019 and 2021 and has not yet reached its pre-COVID-19 level.

The largest economic sector in terms of employment is by far the Audiovisual & Multimedia subsector which employed 24,000 people in 2021, followed by the Books & Press subsector which employed 15,500 people. Around 1 in 4 people employed in the CCS worked in the Audiovisual & Multimedia subsector, while more than 1 in 6 worked in the Books & Press subsector.

III. Main financing sources for the CCS

Public financing in Finland remains the most important source of financing for the CCS. In the Finnish cultural policy system, the State and municipalities share responsibility for providing cultural policy services, and public financing of arts and culture is divided between both levels of governance.

● Direct Public support – Subsidies/Direct expenditure in CCS

In 2021, general government expenditure on culture amounted to EUR 1,349 million (0.5% of GDP), according to Eurostat⁷⁸. The public budget for art and culture has been significantly financed by profits from the state-owned lottery and sports betting enterprise, Veikkaus.⁷⁹

Municipalities carry out their responsibilities by providing grants, maintaining and supporting arts and cultural organisations, and making facilities available, as well as by creating opportunities for cultural and artistic activities. The City of Helsinki awards approximately EUR 17 million a year in grants to art and culture.⁸⁰ Conversely, the State is financially and administratively responsible for national art and cultural institutions, direct support for arts, higher education in art and culture, and international relations. The Ministry of Education and Culture runs a platform enabling individuals to find funding opportunities, whether private or public, national or foreign, for Finnish actors: the [Research.fi](#) database. It has traditionally prioritised theatres, music, museums and libraries, whereas public funding of visual arts has been comparatively lower.

Cultural public agencies include the National Heritage Agency, the National Audiovisual Institute (duties include the preservation of films and television and radio programmes, promotion of audiovisual culture, supervision of the provision and classification of audiovisual programmes, and promotion of media education), the Governing Body of Suomenlinna (a UNESCO World Heritage Site), the Finnish Library for the Visually Impaired and the Arts Promotion Centre Finland.

78 Eurostat (2023), Government expenditure on cultural, broadcasting and publishing services. https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Government_expenditure_on_cultural_broadcasting_and_publishing_services&oldid=593681#General_government_expenditure_on_cultural_services.2C_broadcasting_and_publishing_services.

79 Compendium of Cultural Policies & Trends (2017) Financing and Support. <https://www.culturalpolicies.net/database/search-by-country/country-profile/category/?id=12&g1=7/>.

80 City of Helsinki (2022), Grants for Culture. <https://www.hel.fi>.

● Sponsorship/Donations

Grant-giving foundations are the primary source of private funding for arts and culture in Finland. The Association of Finnish Foundations represents 227 grant providers, who in turn support Finnish art, research and societal development, contributing over half a billion euros annually. Grant providers include the Finnish Cultural Foundation, the Kone Foundation (which allocated EUR 9.2 million for CCS in 2022, including EUR 2.8 million for visual arts), and many more⁸¹. The Finnish Cultural Foundation⁸², a member of the Association and one of Europe's largest foundations, promotes art, science, and intellectual and cultural pursuits through a Central Fund, seventeen Regional Funds and over 800 Donor Funds. It granted EUR 31.5 million in funding in the 2022 October application round.

● Others

Internationally, Finland has actively participated in major cultural programmes initiated by UNESCO, the Council of Europe and the EU since the 1970s. To facilitate cultural initiatives at the European level, the Finnish National Agency for Education and the Finnish Film Foundation (Media Programme) collaborate, acting together as contact point for the EU Creative Europe programme.

Cooperation between Nordic countries is fostered by the Nordic Council, an overarching regional forum, promoting *inter alia* art and culture as levers to reflect common Nordic values and promote collaboration between member countries.⁸³ Within the framework of this cooperation, various cultural initiatives are undertaken. For instance, the Nordic Council awards five annual prizes which recognise outstanding achievements in literature, children and young people's literature, music, film and the environment, rewarded by a prize of approximately EUR 40,000. These awards not only celebrate cultural excellence but also promote intra-regional exchange and collaboration among the Nordic countries. The main emphasis of cooperation in the Baltic Sea region lies in strengthening CCS as well as developing cultural heritage and cultural tourism.

The Swedish-Finnish cultural centre Hanaholmen hosts an important art collection and administers four Nordic funds: the Swedish-Finnish Cultural Foundation, the Finnish-Norwegian Cultural Foundation, the Finnish-Danish Cultural Foundation and the Icelandic-Finnish Cultural Foundation. These foundations provide grants to support projects in different spheres of society and culture, organise events and conferences, and provide various types of support to the CCS, such as networking programmes for Swedish and Finnish arts managers.⁸⁴

81 Säätiöt ja rahastot ry (Association of Foundations and Funds), Information about foundations. <https://saatiotrahastot.fi/meista/#jasenet>.

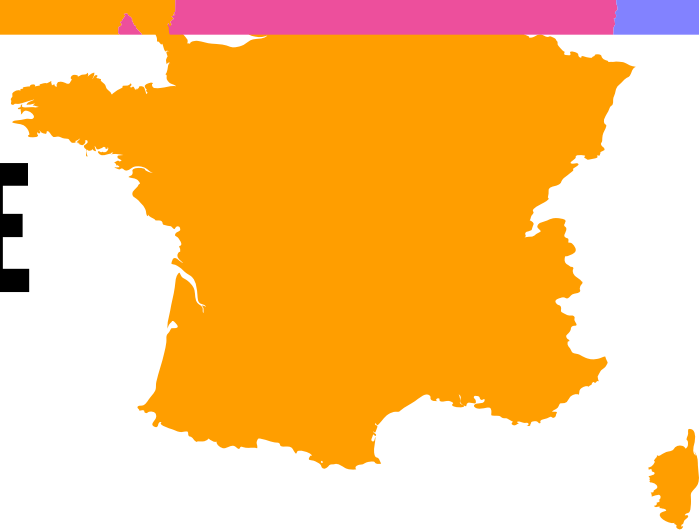
82 The Finnish Cultural Foundation, Grants. <https://skr.fi/en>.

83 Nordic Co-operation, Culture. <https://www.norden.org/en/culture>.

84 Hanaholmen Swedish-Finnish Cultural Centre, Foundations. <https://www.hanaholmen.fi/en/>.

MARKET FICHE

— FRANCE



I. Specificity of the French market – context and introduction

Following a marked slowdown in the latter half of 2022 and the initial quarter of 2023, France's economy started a robust recovery, with GDP growth accelerating to 0.5% in the second quarter of 2023, surpassing initial projections of 0.1%. This resurgence, primarily driven by net exports, has set the stage for anticipated economic growth of 1.0% in 2023, with a further increase to 1.2% in 2024. Notably, the rebound came after a period of supply bottlenecks and heightened energy and commodity prices. Concurrently, inflation in 2022 reached 5.9%, primarily due to energy and commodity price surges, albeit maintaining the lowest in the EU due to government support. Although headline inflation is expected to stand at 5.6% in 2023, a gradual decline is expected throughout the forecast horizon, easing to 2.7% in 2024, reflecting a moderate yet resilient path forward for the French economy.⁸⁵

In addition to the direct economic impact of the CCS, France's rich cultural heritage and its artistic and creative production also have spillover effects on other sectors of the economy. This is particularly evident in the Tourism sector, France's largest economic sector, generating over 7% of the country's GDP and employing 2.4 million people. France is recognised as well as the world leader in fashion and luxury goods, with high-profile brands enjoying international recognition.

The CCS are supported by an ambitious policy and regulatory framework mostly focused on traditional cultural sectors but gradually shifting towards more market-oriented CCS. Their policies are marked by a move towards decentralisation, notably with local authorities taking throughout the years a more important role in cultural policymaking. Since its creation in 1959, the Ministry of Culture has prioritised implementing the *droit à la culture* ("right to culture"), an idea that had been incorporated into the French Constitution and the Universal Declaration of Human Rights (1948). Two main concerns were democratising culture (heritage and works of contemporary creativity) to make it accessible to the widest audience possible and encouraging artistic creation. At the beginning of the 21st century, these priorities remain central to French cultural policy, but they evolved, for instance by including digital cultural content and services in cultural policy since 2012 or through the emphasis put on cultural education as a means to increase cultural participation.⁸⁶

The French market for the CCS is characterised by the *exception culturelle* ("cultural exception") policy introduced in 1993 which aims to protect the country's cultural industries such as film, television, music, and literature from globalisation and market liberalisation on the basis that cultural products and services are not only economic goods, but also embody cultural and social values that should be protected and promoted. This policy includes measures such as quotas on foreign content, subsidies for local cultural production, and tax breaks for cultural enterprises, with the aim of preserving French cultural identity, diversity, and creativity.

⁸⁵ European Commission, Economic Forecast for France, 2023. https://economy-finance.ec.europa.eu/economic-surveillance-eu-economies/france/economic-forecast-france_en.

⁸⁶ College of Europe (2023), Compendium of Cultural Policies & Trends: France. Chapter 1: Cultural Policy System. <https://www.culturalpolicies.net/database/search-by-country/country-profile/category/?id=13&g1=1>.

II. Presentation of key market data on the CCS

In 2020, the direct economic weight of culture, meaning the added value of all CCS subsectors, amounted to EUR 46.1 billion, or 2.2% of the GDP of the entire French economy. The entirety of the statistical field of culture achieved a total production of EUR 86.7 billion. The Audiovisual subsector had the largest economic impact (EUR 12.5 billion in GVA), followed by the Performing Arts subsector and the Publishing & Press subsector (each EUR 6.7 billion).⁸⁷

GVA in 2020 and compared to 2019			Number of jobs and enterprises in 2019		Turnover in 2019-2021			
CCS subsector	GVA in 2020		2019 - 2020 change	Employment	Enterprises	Turnover (EUR million) ⁸⁸		
	EUR billion	% of total CCS		Number of jobs	Number of enterprises (commercial) ⁸⁹	2019	2020	2021
Audiovisual, including:	12.5	27%	-8%	116,400	19,883	28,354	26,044	27,849
	0.2	0.4%	-66%	-	-	-	-	-
	1.6	3.5%	21%	-	-	-	-	-
	0.7	1.5%	-1%	-	-	-	-	-
<i>Film screening</i>								
<i>Video games</i>								
<i>Radio</i>								
Performing Arts	6.7	14.6%	-37%	107,000	11,574	5,687	3,257	3,625
Books & Press	6.7	14.4%	-9%	132,300	28,157	19,841	17,841	19,559
Advertising	5.2	11.2%	-7%	82,900	12,978	15,174	12,715	13,843
Cultural Heritage	5.1	11.1%	-24%	57,900	483	484	269	320
Visual Arts, including:	4.1	8.9%	-21%	110,900	47,806	8,120	7,281	8,587
	1.5	3.2%	-27%	-	2,359	-	-	-
<i>Design</i>								
Architecture	3.6	7.8%	-9%	86,200	24,389	6,351	5,817	6,346
Art and Cultural Education	2.3	4.9%	-7%	37,200	2,335	868	629	630
Total CCS	46.1	100%	-15%	730,800	147,605	84,879	73,853	80,759

Source: Insee, National accounts – 2014 base/DEPS, Ministry of Culture, 2022

The COVID-19 pandemic significantly impacted France's CCS as lockdowns and social distancing measures caused the closure or limited operation of venues, leading to cancelled performances and financial losses. Between 2019 and 2020, the value-added of the overall CCS decreased by 7% in value and 15% in volume due to the impacts of the COVID-19 pandemic. The most affected

87 French Ministry of Culture (2022), The direct economic weight of culture in 2020. <https://www.culture.gouv.fr/en/Thematiques/Etudes-et-statistiques/Publications/Collections-de-synthese/Culture-chiffres-2007-2022/Le-poids-economique-direct-de-la-culture-en-2020-CC-2022-1>.

88 Bourlès, L. & Nicolas, Y. (2023), Analyse conjoncturelle du chiffre d'affaires de la culture au 4e trimestre 2022, Ministry of Culture

89 Ministry of Culture (2023). Chiffres clés: statistiques de la culture et de la communication.

activities were film screening, performing arts, and design. The only subsector that continued expanding even during the pandemic was Video Games (+21%), which has become a key part of the French creative economy with major enterprises such as Ubisoft.

Overall, the CCS employed 730,800 persons in 2019, 147,605 enterprises, and generated a turnover of EUR 84,879 million. A year later, the sector experienced a decrease in turnover of more than EUR 10 billion due to the COVID-19 pandemic and the associated restrictions. However, in 2021, the Audiovisual subsector and the Visual Arts subsector exceeded their pre-COVID-19 levels, while most subsectors appeared on the path to recovery. In fact, in 2022, the turnover for the CCS exceeded its 2019 value by 8% (+ EUR 6.8 billion), driven foremost by the growth of Visual Arts subsector and the Audiovisual subsector, excluding Radio, Video Games, and film projection.⁹⁰

III. Main financing sources for the CCS

France has developed a broad array of support measures for the CCS, strongly supported by important public funding. Cultural policy is overseen at the national level by the Ministry of Culture and implemented through various agencies, such as the Centre National du Cinéma et de l'Image Animée (CNC, for the Audiovisual and Video Games subsectors) and the Centre National de la Musique (CNM, for Music).

● Direct Public support – Subsidies/Direct expenditure in CCS

In light of the challenges faced by the cultural sector during the COVID-19 pandemic, there has been a notable government effort in recent years to revitalise the cultural ecosystem. Consequently, as a direct reaction to the pandemic's effects, the government introduced the *Plan de Relance*, a nationwide initiative aimed at recovering the French economy. The Plan has a budget of EUR 40 billion and will run from 2021 to 2025. EUR 2 billion are earmarked for the cultural sector, with the following main priorities: heritage restoration, support for performing arts and public creative institutions, assistance for artists and young creators, consolidation of strategic cultural sectors (such as Press, Cinema and Audiovisual, Publishing and public Audiovisual) and investments for the future of CCS.

EUR 40 million have notably been allocated to support the digital and green transitions of CCS through four calls for projects for the development of "innovative ticketing solutions" (for all CCS), to promote the emergence of "green alternatives" (for all CCS) for the development of "augmented experiences in live performance" (for the performing arts sector), and lastly to develop solutions for the "digitalisation of cultural heritage and architecture" (for the Cultural Heritage and Architecture sectors).⁹¹

In addition to mitigation measures against the impact of COVID-19 pandemic and as part of the France 2030 investment plan, four programmes have been implemented to support the transformation of the French CCS over a period of 5 years, mobilising EUR 354 million to benefit culture,⁹² to foster the economic development and innovation in the Audiovisual sector and the Music and Performing Arts and support the internationalisation of CCS enterprises.

90 Bourlès, L. & Nicolas, Y. (2023), Analyse conjoncturelle du chiffre d'affaires de la culture au 4e trimestre 2022, Ministry of Culture.

91 Ministry of Culture (2021), France Relance: lancement de quatre dispositifs des investissements d'avenir pour accompagner les transitions numérique et écologique des industries culturelles et créatives. <https://www.culture.gouv.fr/Presse/Communiqués-de-presse/France-Relance-lancement-de-quatre-dispositifs-des-investissements-d-avenir-pour-accompagner-les-transitions-numérique-et-écologique-des-industries>.

92 French Government (2022), France 2030: Lancement de quatre dispositifs pour accompagner la transformation des industries culturelles et créatives françaises et projeter le secteur culturel dans l'avenir. <https://www.gouvernement.fr/france-2030-lancement-de-quatre-dispositifs-pour-accompagner-la-transformation-des-industries>.

Overall, every year, a public budget of around EUR 17 billion is dedicated to culture, originating not only from the Ministry of Culture but from other ministries such as the Ministry of Education (e.g. for art schools, cultural teaching, etc.), the Ministry of Higher Education and Research (libraries, researchers and professors, etc.), the Ministry for Europe and Foreign Affairs, or the Ministry of the Interior.⁹³ In 2022, the Ministry of Culture spent EUR 4.1 billion on culture while cultural expenses in other ministries amounted to EUR 5.2 billion.⁹⁴ This makes France the European country with the highest government expenditure on culture in absolute terms (and 5th in terms of cultural expenditure as a share of GDP).

Local authorities play a fundamental role as well in supporting the CCS. Out of the EUR 17 billion budget for culture in 2019, the remaining EUR 8.7 billion of funding is provided by local authorities. In 2020, the cultural spending of local authorities in France amounted to EUR 8.7 billion, an average of EUR 129 per inhabitant. Culture and sports are priorities for the actions of the Regions, which are increasingly playing a leading role in these areas and dedicated in 2022 EUR 1.4 billion to these priorities, amounting to EUR 21 per inhabitant and 3% of their budget.

● Indirect Public support – tax relief

In parallel to public funding, tax incentives are another important source of financing for CCIs in France. The Tax Credit for International Production, for example, provides a tax credit of up to 40% of the eligible expenditure for foreign film productions that are partially or entirely produced in France. Another relevant financing tool is the Income tax reduction for capital investments of Film and Audiovisual Finance Enterprises (SOFICA), which promotes the investment of private funds in film and audiovisual production.⁹⁵

● Financing available (public and private)

The Institut pour le Financement du Cinéma et des Industries Culturelles) (IFCIC) is a specialised credit institution playing a crucial role in facilitating access to bank credit for enterprises in the CCS. By offering two types of debt financing products, namely loan guarantees and loans, the IFCIC assists these enterprises in securing the necessary financial resources for their projects. IFCIC collaborates closely with the French Public Investment Bank (Bpifrance) to provide comprehensive support to CCS enterprises. The BPI offers various financial instruments, such as loans, equity investments, and guarantees, to enable CCS enterprises to access the necessary capital for their projects. This support helps in funding activities such as film productions, music recordings, theatre performances, and other creative endeavours, notably the Video Games sector, one of Bpifrance's priorities. In addition to financing, BPI offers advisory services and expertise to CCS enterprises. In 2020, The government announced the implementation of a public investment fund of EUR 225 million, to be managed by Bpifrance. IFCIC and Bpifrance work together to identify the specific challenges faced by the cultural and creative industries and offer tailored financial solutions.

93 Ministry of Culture (2023), Financement de la culture. <https://www.culture.gouv.fr/themes/Financement-de-la-culture#:~:text=L'Etat%20participe%20au%20financement,est%20consacr%C3%A9%20%C3%A0%20la%20culture>.

94 French Ministry of Culture (2022), *Chiffres clés, statistiques de la culture et de la communication : édition 2022*.

95 <https://www.culture.gouv.fr/en/Divers/Outils-de-financement-des-entreprises-culturelles/Cinema-et-audiovisuel/Reduction-d-impot-sur-le-revenu-pour-les-investissements-au-capital-de-Societes-de-financement-de-l-industrie-cinematographique-et-de-l-audiovisuel>.

France is also the country in Europe with the highest number of cultural and creative crowdfunded projects (around 75,000 in 2020).⁹⁶ As of the end of 2017, a total of EUR 45 million had been raised through crowdfunding.⁹⁷ Some French crowdfunding platforms relevant to the CCS are Kiss Kiss Bank, Ulule and Touscoprod, Dartagnans, My Major Company and Culture Time.

● Sponsorship/Donations

Participative forms of financing in the CCS are becoming increasingly popular. *Mécénat* financing is tax deductible, up to 60% of the amount invested. Lastly, cultural sponsorship is significant and on the rise, with the number of art foundations financed by enterprises increasing. Notable examples include the renovation of the Notre-Dame Cathedral, which received EUR 200 million from the Arnault Family (LVMH group), EUR 200 million from the Bettencourt family (L'Oréal), EUR 100 million from the Pinault family (Artemis and Kering), EUR 100 million from the Total Foundation, among others. In addition, the Louis-Vuitton Foundation hosted major exhibitions such as the Chtchoukine collection exhibition in 2016, which costed more than EUR 10 million, and the Pinault Foundation, which exhibits thousands of art pieces in the Bourse du Commerce, was renovated by Tadao Ando for an approximate budget of EUR 160 million.

96 Cicchiello, A., Gallo, S. & Monferrà, S. (2022), Mapping crowdfunding in cultural and creative industries: A conceptual and empirical overview. *European Management Review*, 19(4). https://www.researchgate.net/publication/359007046_Mapping_crowdfunding_in_cultural_and_creative_industries_A_conceptual_and_empirical_overview.

97 Moreau, F. & Nicolas Y. (2018), Financement participatif : une voie d'avenir pour la culture?, *Les Presses de Sciences Po*, col. « Questions de culture », 2018, p.227.

MARKET FIGHE

— GERMANY



I. Specificity of the German market – context and introduction

After ten years of robust export-led growth and fiscal stability, recently the German economy has faced significant challenges. The German economy is expected to grow by 1.4% in 2024, after a year of stagnation in 2023. The COVID-19 pandemic, the energy crisis, and the Ukraine war exposed vulnerabilities, prompting the need for faster green and digital transitions.⁹⁸ These challenges also present an opportunity for culture to play a more substantial role in driving economic, social, and environmental outcomes. In fact, despite the significant impact of the COVID-19 pandemic, with performing arts, music, film, and the art market among the hardest hit, signs of recovery are emerging. The sector is well-positioned to play a crucial role in promoting economic growth and cultural diversity both domestically and internationally.

On this note, CCS in Germany have shown remarkable dynamism since the late 1980s, and this trend persists today. Following the Bundestag elections in autumn 2021, the new coalition agreement has emphasised the importance of diversity and freedom in culture as a strategic priority.⁹⁹ This focus is aimed at promoting cultural participation and freedom of expression, while also addressing social challenges such as demographic trends, migration flows, value systems, financial development, economisation, and digitalisation. Moreover, initiatives such as the 'Internationalisation of Culture and Creative Industries' launched in 2019 by the Federal Ministry for Economic Affairs and Energy, have pushed for global expansion of German CCS, providing a competitive edge to various subsectors.¹⁰⁰

Overall, the CCS in Germany remain dynamic and growing sector, with increasing attention towards both economic and social objectives, internationalisation, and innovation. The CCS sector still faces challenges in becoming more competitive and improving income opportunities for innovative small cultural businesses and freelance artists. However, the CCS policy initiatives launched by the Federal Government are expected to support the growth and development of the sector in the years to come.

II. Presentation of key market data on the CCS

In 2021, the CCS made a significant contribution to the German economy, these have indeed seen an increase in GDP of 4.8% compared to 2020. Total sales reached almost the pre-COVID-19 level of 2019, with estimated revenues of approximately EUR 175 million.¹⁰¹ This places the CCS slightly

98 OECD (2023), Germany projection note OECD Economic Outlook. <https://issuu.com/oecd.publishing/docs/germany-oecd-economic-outlook-june-2023?fr=sNDIOMjU-wNTY2MTA>.

99 Compendium of Cultural Policies and Trends (2022), Country Profile Germany. https://www.culturalpolicies.net/wp-content/uploads/pdf_full/germany/Full-Country-Profile_Germany2022.pdf.

100 BMWK (n.d.) KUK. <https://www.kultur-kreativ-wirtschaft.de/KUK/Navigation/DE/Home/home.html>.

101 Kreative Bund Deutschland (2022), COVID-19 Impact on the Cultural and Creative Industries in Germany. https://kreativ-bund.de/wp-content/uploads/2022/03/Impact_Report_COVID_19.pdf.

above the level of the mechanical engineering industry and far ahead of other sectors such as financial services, energy suppliers, and the chemical industry.

As of July 2021, the CCS employed around 1.81 million people, an increase compared to the previous year. Of these, the majority (55.6%) were full-time employees, while a further 30.6% were freelancers and self-employed and 13.8% part-time employees.

Despite the challenges posed by the COVID-19 pandemic, the CCS have shown signs of recovery in 2021, with increases in sales and GVA across almost all subsectors. The Software and Game Industry is the largest subsector in the German CCS in terms of revenue, accounting for around EUR 57 billion in 2021. This sector also had the highest gross value added.

The total number of enterprises in the CCS remained relatively stable compared to the previous year, at around 226,000. The Design subsector had the largest number of enterprises, with over 52,000. The largest subsector in terms of employed people is the Software and Game Industry (almost 479,000).¹⁰²

GVA, number of enterprises and persons employed in 2021 in Germany			
CCS subsector	GVA (EUR million)	Number of enterprises	Number of employed people (full-time)
Music	3,973	11,462	38,211
Books	6,273	14,042	42,966
Visual Arts	1,068	10,289	5,184
Film	8,091	16,760	43,431
Broadcasting	7,769	13,752	24,838
Performing Arts	2,770	16,075	25,634
Design	10,193	52,139	90,999
Architecture	8,061	35,330	104,554
Publishing	10,594	26,715	101,351
Advertising	11,779	24,847	124,308
Softwares and Game Industry	40,861	41,255	478,776
Other CCS activities	942	6,116	6,790
Total CCS	103,658	225,950	1,006,950

Source: BMWi, 2023

As of 2020 Germany ranked fourth for creative good exports and third for creative service exports worldwide, detaining 5% of the share of world exports of creative goods and 7% for creative services.¹⁰³

102 BMWi (2021), Monitoringbericht Kultur- und Kreativwirtschaft 2021. <https://www.kultur-kreativ-wirtschaft.de>.

103 Creative Economy Outlook 2022. (2022, October 7). UNCTAD. <https://unctad.org/publication/creative-economy-outlook-2022>.

III. Main Financing Sources for the CCS

In Germany, cultural funding and policies adhere to the principle of subsidiarity, meaning that local and regional authorities are primarily responsible for cultural matters and public funding. The State will only intervene as a sponsor or promoter when a cultural policy task exceeds municipal power in scope or matter. As a result, municipalities provide the most significant share of public cultural funding, followed by the Länder, while the federal government bears a smaller portion due to its limited cultural policy competences.¹⁰⁴

● Direct Public support – Subsidies/Direct expenditure in CCS

According to the latest report “Cultural Indicators at a Glance” from 2022, public budget spending on culture was up 15.6% in 2020 vs 2019, totalling EUR 14.5 billion (including funds allocated in response to COVID-19 pandemic). This corresponded to a share of 1.89% of the total state budget. Of this, the federal government provided a share of 22.4%, while the Länder (38.6%) and the municipalities (39.1%) spent the most on culture. On average, EUR 174.51 were spent per inhabitant.

At EUR 249.64 per inhabitant, Berlin, the German capital, had the highest public spending on culture per inhabitant in 2020. Slightly behind was Saxony with EUR 243.98 per capita and Hamburg with EUR 225.03 per capita.¹⁰⁵

The federal government of Germany provides support for artists primarily through cultural funds such as the Art Fund, German Literature Fund, Sociocultural Fund, Performing Arts Fund, and support projects of the German Music Council. The Federal Cultural Foundation plays a significant role in promoting international cultural programmes and projects. It also develops its own programmes, such as the “Art in Buildings” initiative, which earmarks a certain proportion of the construction costs of public buildings for works of art.

Individual artist funding is particularly important in various cultural sectors. The Federal Government offers special support for enterprises, start-ups, self-employed and freelancers in the CCS through the Competence Centre for Cultural and Creative Industries and the private sector funds system. However, reliable statistics on private cultural funding are not available in Germany. According to the Kulturfinanzbericht 2020 by the Federal Statistical Office, private expenditure on publicly subsidised cultural institutions in 2017 amounted to EUR 1.2 billion or EUR 15.05 per capita.¹⁰⁶ The Ostdeutsche Sparkassenstiftung is one of the few funding actors that reports data, having supported around 2,370 projects for a total of EUR 106 million from 1996 to 2022.

● Financing available (public and private)

Moreover, there are various funding opportunities available from banks and financial institutions to support the growth of creative entrepreneurs and CCS businesses. For instance, BM H Participation-Management Company Hesse provides different funds with favourable investment conditions, as well as serving as the contact hub for Micro Mezzanine Fund Germany. The Guarantee Bank Hesse also offers indemnity bonds and participation guarantees. The Federal Office of Economics and Export Control offers the venture capital investment grant “INVEST”,¹⁰⁷ which can be particu-

¹⁰⁴ Compendium of Cultural Policies and Trends (2022), Country Profile Germany. https://www.culturalpolicies.net/wp-content/uploads/pdf_full/germany/Full-Country-Profile_Germany2022.pdf.

¹⁰⁵ Ibid.

¹⁰⁶ Kulturfinanzbericht 2020 – Gemeinschaftsveröffentlichung. (n.d.). Statistisches Bundesamt. <https://www.destatis.de/DE/Themen/Gesellschaft-Umwelt/Bildung-Forschung-Kultur/Kultur/Publikationen/Downloads-Kultur/kulturfinanzbericht-1023002209004.html>.

¹⁰⁷ INVEST – Venture Capital Grant, Federal Ministry for Economic Affairs and Energy. https://www.existenzgruender.de/SharedDocs/Downloads/EN/Broschueren/Flyer-INVEST-Venture-capital-grant.pdf?__blob=publicationFile.

larly useful for young and innovative enterprises. The KfW Bank Group/European Bank for Reconstruction and Development Bank Group provides a diverse range of financing models to help build and sustainably structure businesses. Other potential financing options for CCS include crowdfunding platforms such as Startnext, Kickstarter, or Indiegogo, as well as Business Angels FrankfurtRhineMain. Additionally, the micro-credit fund of the German Federal Government is specifically designed to meet the needs of small and medium-sized enterprises (SMEs) in the CCS and could be a useful tool for pre- or interim-financing for CCS SMEs.

MARKET FIGHE

— GREECE



I. Specificity of the Greek market – context and introduction

Greece's economic outlook for 2023 is centred on expected growth of 2.4%, driven by a resilient labour market and the execution of the National Recovery and Resilience Plan. Inflation, having averaged 9.3% in 2022, is expected to gradually moderate to 2.4% by 2024, primarily due to decreasing energy prices. The negative general government balance deficit is steadily diminishing, contributing to a reduction in public debt. In 2023, real GDP expansion is fuelled by domestic and external demand, though private consumption is cooling compared to post-pandemic recovery, largely due to decreased household real disposable income and a still negative savings rate. International tourism's resurgence is expected to boost Greek exports, while import growth is projected to ease, maintaining a high trade deficit even with falling energy prices. In 2024, economic growth is projected at 1.9%, gradually converging with longer-term potential, with investment and rising real incomes playing key roles.¹⁰⁸

Greece has a rich cultural heritage that spans thousands of years, including monuments and architecture from ancient Greek civilization, but also classical painters and sculptors, playwrights, poets and musicians. This historical and cultural legacy has shaped the Greek CCS market in various ways. One key aspect is tourism: Greece attracts millions of visitors each year who come to explore its archaeological sites, museums and ancient landmarks creating a demand for cultural experiences, such as guided tours, cultural events, and traditional craftsmanship.

While classical pieces of art are still cherished both on the local and international scene, artistic creation remains an important part of Greek culture which contemporary creative scene should not be overlooked. More recently, Greek music artists have gained recognition on international stages, and Greece has a growing film industry, notably due to the country's increasing role as a filming location for both domestic and international productions.

II. Presentation of key market data on the CCS

In Greece, the Audiovisual & Media subsector has by far the largest economic weight of all CCS with almost EUR 1.5 billion GVA generated in 2020, i.e. more than 3% of the total non-financial business economy. This subsector also employs the largest number of people in the CCS, with 47,196 employees. It is followed by the Books & Press subsector with almost half a billion in value added and 27,113 workers. On the other hand, the smallest subsectors in terms of GVA are the Visual Arts subsector and the Performing Arts subsector, although the first has the largest number of enterprises among all CCS, i.e. 13,738.

¹⁰⁸ European Commission, Economic Forecast for Greece, 2023. https://economy-finance.ec.europa.eu/economic-surveillance-eu-economies/greece/economic-forecast-greece_en.

GVA, number of enterprises and of persons employed in 2020 in Greece

CCS subsector	GVA at factor cost		Number of enterprises		Number of persons employed	
	EUR million	Share in non-financial business economy	Number	Share in non-financial business economy	Number	Share in non-financial business economy
Architecture	129	0.27%	11,536	1.62%	14,673	0.58%
Audiovisual & Multimedia	1,486	3.16%	11,558	1.63%	47,196	1.88%
Books & Press	423	0.90%	9,181	1.29%	27,113	1.08%
Heritage, Archives & Libraries*			711	0.10%	3,958	0.16%
Performing Arts	86	0.18%	10,569	1.49%	26,963	1.07%
Visual Arts	90	0.19%	13,738	1.93%	25,331	1.01%
Other CCS activities	301	0.64%	7,416	1.04%	17,010	0.68%
Total CCS	2,515	5.35%	64,709	9.1%	162,244	6.46%

Source: Eurostat (*GVA does not include data for Heritage, Archives and Libraries)

The above figures should be understood in the context of the COVID-19 pandemic. The year 2020 was marked by a sharp decrease in activity for the CCS, as a consequence of the health restrictions implemented in the country, such as the closure of cultural venues. To mitigate the impact of restrictions, the Ministry of Culture, in collaboration with the Ministry of Finance, contributed EUR 15 million to stimulate growth and support the CCS, alongside sector-specific support measures. These measures included calls for projects in the Film, Video Games, Dance, Visual Arts subsector and for the digitalisation of culture, acquisition of artworks, additional funding and resources for theatres, museums, musical concerts, etc.¹⁰⁹ In the film industry, the government managed to minimise the impact of the pandemic on film production through increasing the cash rebate on eligible expenses for the production of audiovisual works in Greece from 35% to 40% and by creating a set of guidelines enabling film production to resume.

III. Main financing sources for the CCS

The Greek Government establishes and enforces cultural policy, while local or sector organisations have progressively taken a primary position in developing and implementing specific cultural policy programmes. Alongside this gradual transfer of responsibilities, funding for operational programmes has shifted as well from central to regional and local government.¹¹⁰

109 Compendium of Cultural Policies and Trends in Europe (2023). Greece. Measures taken for the support of the cultural and creative sector due to the COVID-19 crisis.

110 Compendium of Cultural Policies and Trends (2019). Greece 1.1 – Cultural Political System: Objectives, Main Features and Backgrounds. https://www.culturalpolicies.net/country_profile/greece-1-1/.

● Direct Public support – Subsidies/Direct expenditure in CCS

Public funding for cultural services tends to be lower in Greece than the European average. According to Eurostat, general government expenditure on cultural services, broadcasting and publishing services represents the lowest share of GDP among European countries, amounting to 0.2% in 2021, i.e. EUR 311 million.¹¹¹

The Ministry of Culture's budget has traditionally constituted only a small fraction of the overall state budget. Other ministries, such as Public Administration, Public Works, Press and Media, provide as well public investments related to the arts and heritage. While the Ministry of Culture historically focused on cultural heritage, it now has a second area of action: modern culture. One of its recent priorities was the digitalisation of heritage with recent projects such as "Ancient Olympia: Common Grounds",¹¹² a collaboration between the Hellenic Ministry of Culture and Sports and Microsoft to preserve the Olympia through digitalisation, or the implementation of e-ticketing system for archaeological sites, museums and monuments.

● Indirect Public support – tax relief

The CCS benefit from the recent implementation of two important initiatives:

1. The Cash Rebate State Aid Scheme¹¹³: which supports feature films, documentaries, television series, animated films and digital games (up to 40% cash rebate on the sum of eligible expenses incurred in Greek territory).
2. The tax relief incentive scheme: up to 30% of eligible costs incurred during the production of an audiovisual work may be deducted from the taxable income of a natural or legal person that invests in an audiovisual work.

● Sponsorship/donations

Finally, private support to CCS is especially and increasingly important in Greece. Funding opportunities for CCS in Greece are notably characterised by the importance of cultural sponsorship which is widely encouraged by policymakers and acts as a complement to public funding.

Organisations such as the international philanthropic organisation Stavros Niarchos Foundation, the Onassis Public Benefit Foundation, or the NGO NEON Foundation provide grants, scholarships, residencies, mobility opportunities and more to Greek artists and actors of the CCS. The Stavros Niarchos Foundation financed the construction of the Stavros Niarchos Foundation Cultural Centre (EUR 630 million), built by the world-renowned architect Renzo Piano, to welcome the National Library of Greece and the Greek National Opera. These organisations also played a key role in mitigating the impact of the pandemic on the cultural sector, through increasing Cultural Sponsorships,¹¹⁴ raising awareness and developing an understanding of the importance of the survival and the challenges faced by the CCS, digitising the country's cultural reserve, and connecting museums and public financing. This happened notably at the initiative of the Ministry of Culture through the Greek Office for Cultural Sponsorship.¹¹⁵ The initiative aims to attract private funding in support of culture for public or non-profit organisations with an operational focus on culture. Sponsors can benefit from a tax deduction of up to 10% of the total taxable income or net profit of the sponsor enterprise.¹¹⁶

¹¹¹ Eurostat (2023), Government expenditure on cultural, broadcasting and publishing services. https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Government_expenditure_on_cultural_broadcasting_and_publishing_services#General_government_expenditure_on_cultural_services.2C_broadcasting_and_publishing_services.

¹¹² [Ancient Olympia: Common Grounds \(olympiacommongrounds.gr\)](https://www.ancientolympia.gr/).

¹¹³ The Cash Rebate State Aid Scheme is regulated by the Law 4487/2017, and was amended by Law 4704/2020 (Government Gazette A/133/14.07.2020), Law 4761/2020 (Government Gazette A/248/13.12.2020), and most recently Law 5043/2023.

¹¹⁴ The procedure of Cultural Sponsorship is regulated by Law 3525/2007.

¹¹⁵ Directorate-General for Internal Policies, European Parliament (2011). Encouraging private investment in the cultural sector. https://www.europarl.europa.eu/RegData/etudes/etudes/join/2011/460057/IPOL-CULT_ET%282011%29460057_EN.pdf.

¹¹⁶ <https://www.culture.gov.gr/en/service/SitePages/view.aspx?iID=2636>.

MARKET FICHE

— HUNGARY



I. Specificity of the Hungarian market – context and introduction

In 2023, Hungary faces significant economic challenges, including high inflation, elevated interest rates, and a lack of investor confidence, which have resulted in a notable slowdown in economic activity over the past year. Projections indicate that Hungary's real GDP is expected to stagnate in 2023, with a potential rebound of 2.5% in 2024. These projections are based on the assumption that inflation will decrease significantly by the end of the year, contributing to a stronger economic growth trajectory.¹¹⁷

It's important to note that this recession and its subsequent tepid recovery relative to previous years are expected to result in a slight increase in unemployment. The impact of this economic slowdown extends to sectors such as the CCS as this sector primarily consists of SMEs, making it particularly vulnerable to economic downturns.

Hungary has a rich historical background and has made noteworthy contributions to various fields like arts, music, literature, sports, science, and technology, attracting tourists from across Europe. Outstanding subsectors of the CCS in Hungary are the film, advertising and fashion industries. The film industry in particular has been booming in the past years. This reflects the endeavour pursued by the Hungarian Government of attracting international productions to shoot films through tax releases such as the 2004 *Film Law* and its subsequent advantageous modifications.

On this note, in 2018 there was a notable shift in the government's focus, with the commitment to driving the cultural transformation of the nation. Consequently, Hungary has witnessed a significant overhaul of the institutional structures in higher education, research, and media in recent years, which has had a profound impact on the cultural and creative sectors, and which will likely support the sector during this period.

II. Presentation of key market data on the CCS

Based on the most recent data provided by Eurostat in 2020, employment in the CCS has shown a positive trend, experiencing growth from 2016 to 2020. However, there was a slight decline in employment figures between 2019 and 2020. Concurrently, the GVA and the number of enterprises in the CCS have been consistently and moderately increasing over the same period

117 OECD (2023), Economic Outlook Note – Hungary. <https://issuu.com/oecd.publishing/docs/hungary-oecd-economic-outlook-june-2023?fr=sNWY5OTUwNTY2MTA>.

GVA, number of enterprises and of persons employed in 2020 in Hungary

CCS subsector	GVA at factor cost		Number of enterprises		Number of persons employed	
	EUR million	Share in non-financial business economy	Number	Share in non-financial business economy	Number	Share in non-financial business economy
Architecture	167	0.24%	6,772	1.01%	10,332	0.36%
Audiovisual & Multimedia	1,869	2.68%	33,268	4.97%	75,182	2.63%
Books & Press	552	0.79%	10,728	1.60%	33,916	1.19%
Heritage, Archives & Libraries*	-	-	390	0.06%	2,575	0.09%
Performing Arts	339	0.49%	37,761	5.65%	54,884	1.92%
Visual Arts	259	0.37%	14,001	2.09%	23,347	0.82%
Other CCS activities	223	0.32%	6,552	0.98%	15,000	0.52%
Total CCS	3,409	4.89%	109,472	16.37%	215,236	7.53%

Source: Eurostat (*GVA does not include data for Heritage, Archives and Libraries)

The Audiovisual & Multimedia subsector has demonstrated remarkable success, exhibiting a consistent and steady increase. Notably, it has achieved the highest performance among various subsectors, with a GVA of EUR 1,869 million and employing 75,182 individuals. It boasts a substantial number of enterprises, totalling 33,268, making it the second-largest subsector after the Performing Arts, which has 37,761 enterprises.

The Visual Arts subsector has also shown growth, although with some fluctuations in terms of employed individuals. As of 2020, it ranks fourth in terms of GVA and number of employees, generating EUR 259 million and employing 23,347 individuals. In terms of enterprises, it ranks third with 14,001.

The Books & Press subsector remains one of the strongest within the CCS, boasting a GVA of EUR 552 million. It has a considerable number of enterprises, amounting to 10,728, and employs 33,916 individuals. However, it has experienced a consistent decline since 2008.

III. Main financing sources for the CCS

National cultural policies and State budget currently play a central role in CCS funding in Hungary since 2010, after a decade where local authorities had started to finance the CCS more substantially. The National Cultural Fund used to be the primary channel for financing cultural projects. During the past decade, the ministry of culture has played an increasing role in this through open or partly open calls, and the newly created agencies like the Hungarian Academy of Arts and especially the Petőfi Cultural Agency of the Fund for Hungarian Culture are important cultural funders.

● Direct Public support – Subsidies/Direct expenditure in CCS

For cultural public expenditure, the post-2000 years showed an increased role of cities and regions in funding the CCS. The cultural spending of local governments grew by about 78% between 2002 and 2007, when the cumulative inflation was less than 30%. For example, cities spent 95% more funding on museums than five years earlier and over 50% more on libraries, local television, music and other arts respectively. This trend sharply inverted after 2010, and by 2012, the central government became a larger public funder than the regional and local sources. This is partly explained by the fact that the State took control of a number of CCS institutions and especially museums. Since 2018, indeed, the Hungarian Government has become one of largest funders of culture in Europe. From 2015 to 2020, the total expenditure on culture has more than doubled: from EUR 924 million in 2015 to EUR 1.8 billion in 2020. Moreover, the central public spending has exceeded that of the local governments.

Government Level	Total Cultural Expenditure in 2020			Total Cultural Expenditure in 2015		
	EUR million	% share of Culture	% share of total	EUR million	% share of Culture	% share of total
State (Central)	1,520	75%	2.8%	610	57%	1.5%
Local (Municipal)	516	25%	5.8%	454	43%	5.2%
TOTAL	1,824	100%	2.6%	924	100%	1.6%

Source: Compendium, 2022

Of these government funds, a decisive share went to construction and renovation projects (e.g. on the “Liget Project” with the erection of cultural institutions in the City Park and on the overhaul of the Royal Castle complex).

● Indirect Public support – tax relief

The cinema industry is attracting funds and generating attention from abroad. A tax incentive was introduced in 2004. Hungarian production enterprises registered with the Hungarian Film Office and producing films, both for cinema and television, are eligible for a 25% refundable rebate on their expenditure in Hungary. Furthermore, 20% of the budget may be spent outside of Hungary without suffering a reduction in the number of incentives.

MARKET FICHE

— ICELAND



I. Specificity of the Icelandic market – context and introduction

Iceland is a small sea-locked country of little more than 300,000 inhabitants. Iceland's economic growth is quite fast, with a 4.4% GDP growth in 2023. This is primarily attributable to the influx of foreign tourists and robust domestic demand. The labour market demonstrates a high level of competitiveness, resulting in strong wage growth and a well-preserved wage compression structure that fosters economic egalitarianism.¹¹⁸

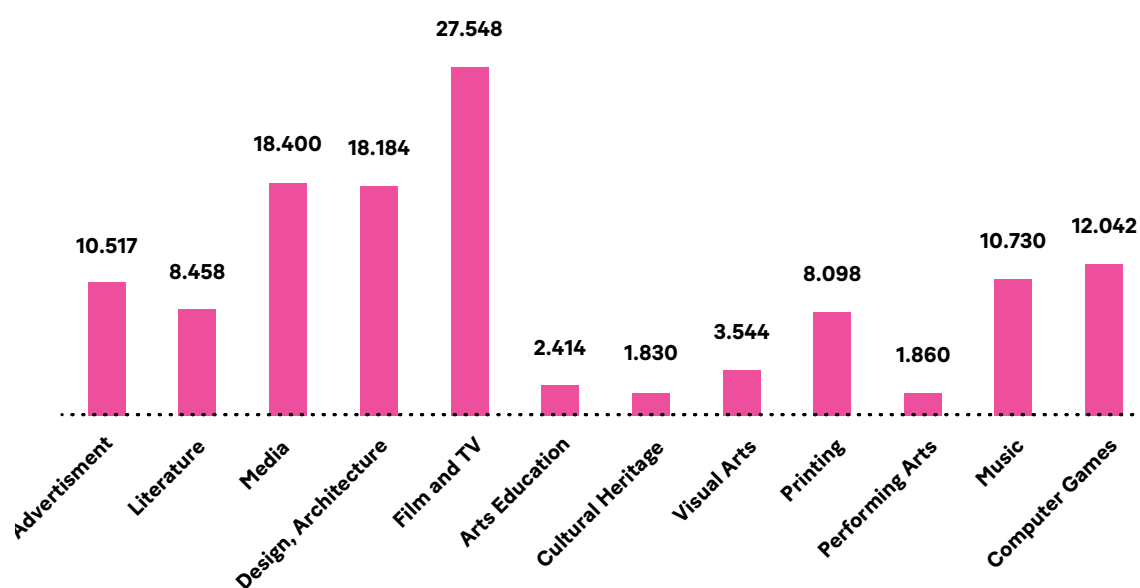
Whilst Iceland is not a member of the EU, it is deeply integrated in the European economy through the Agreement on the EEA, the Schengen Agreement and the country's participation in the Creative Europe programme. The country was amongst the first ones in the world to establish a ministry for culture in 1947 but only developed significant cultural policies after the 2008 financial crisis, with a particular focus on the Audiovisual subsector and on attracting foreign movie productions.

II. Presentation of key market data on the CCS

The small size (in absolute numbers) of the overall CCS economy hampers the analysis of the CCS turnover, with estimates by Statistics Iceland valuing the CCS turnover at EUR 791,960 in 2021. The same considerations need to be made regarding the total employment in CCS, which is estimated to be made of 11,500 professionals in 2021, without significant differences in the 2015-2021 period. At the same time, according to Statistics Iceland, the CCS employment accounts for 7.3% of total employment in 2021 showing the high importance that the CCS take for the national economy.

¹¹⁸ https://issuu.com/oecd_publishing/docs/iceland-oecd-economic-outlook-june-2023?fr=sNTk5MTUwNTY2MTA.

Operating Revenues in the CCS in 2021 (EUR million)

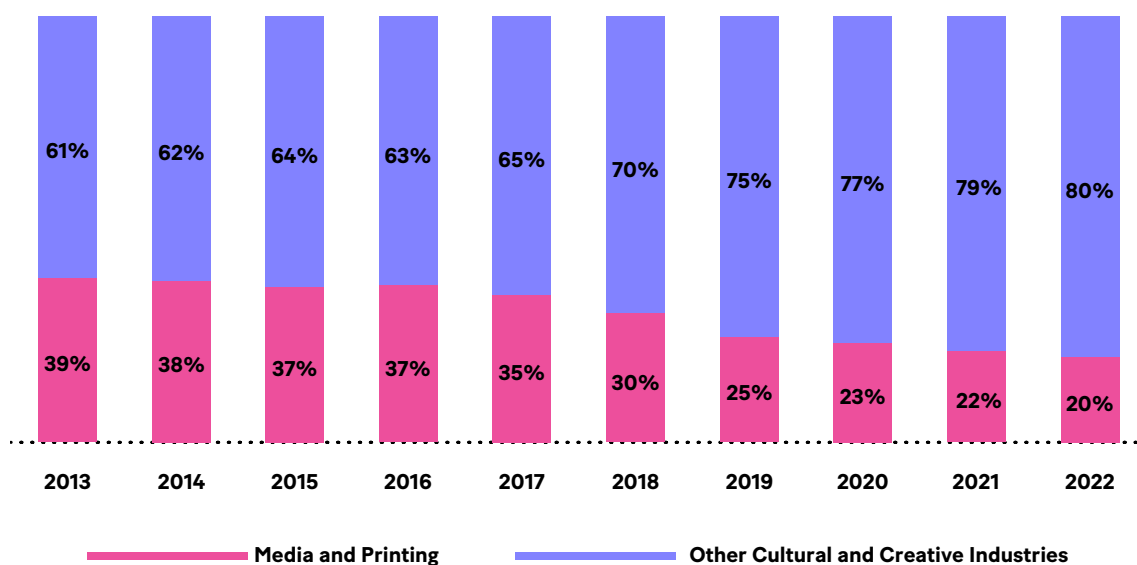


Source: Statistics Iceland

Among the CCS subsectors, the Audiovisual is the best performing one in terms of total operating revenues, as well as the one that grew the most in the 2017-2021 period (+44%) together with Computer Games (+40%), while Printing has been the one suffering the most (-46.4%).

Regarding employment, in the 2013-2022 the total number of people employed in the CCS decreased by 6.6% but this is mainly due to the decline of the Media subsector and the Printing subsector. Excluding these, employment in the CCS increased by 21.7%.

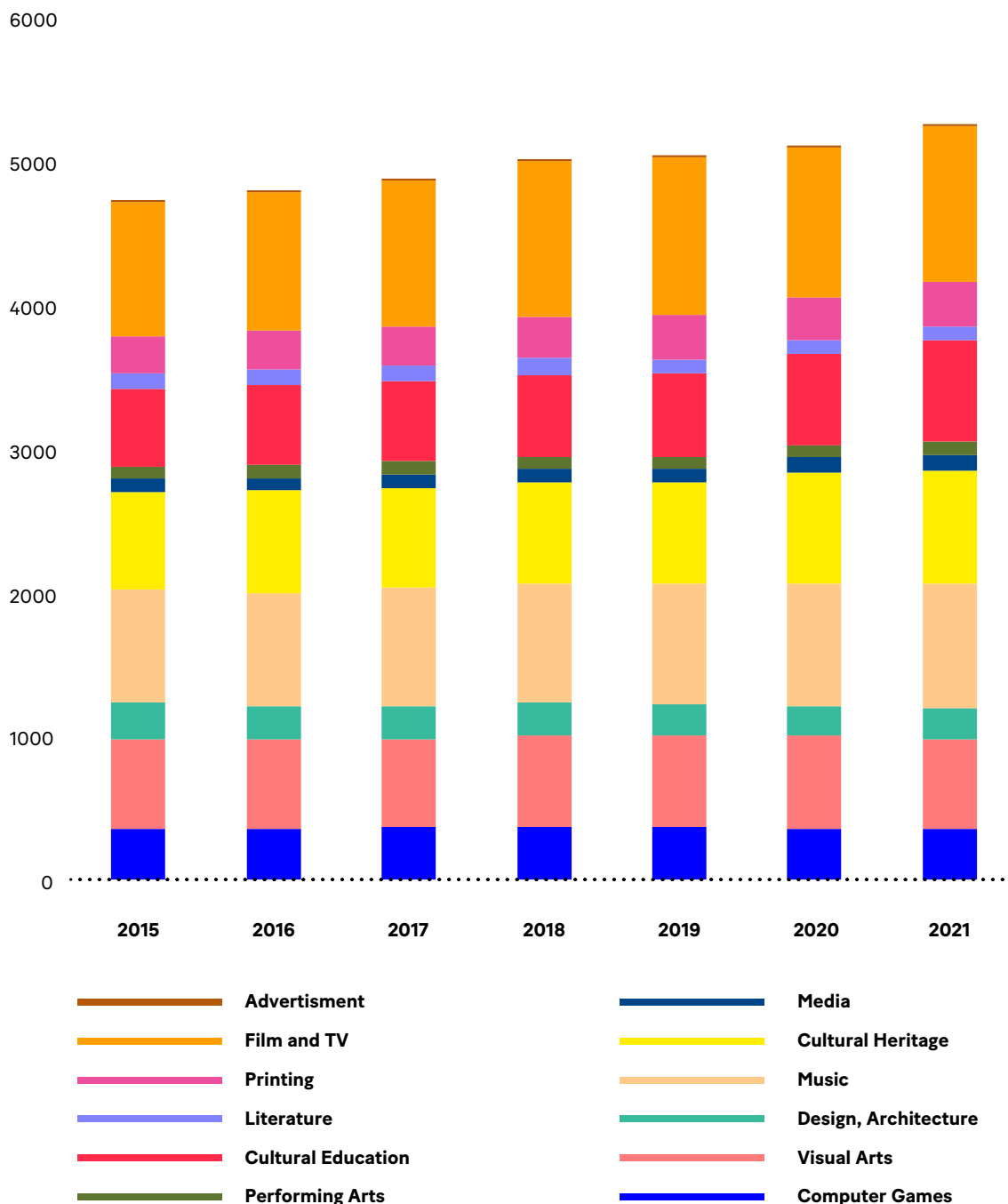
Employment split in the CCS (2013-2022)



Source: Statistics Iceland

Furthermore, the number of enterprises in the CCS also grew by almost 11.2% in the 2015-2021 period, with Computer Games subsector and Visual Arts subsector registered the biggest increase (respectively +33% and +32%), while Printing subsector, and Media subsector the biggest decrease (respectively -23% and -19%).

Number of enterprises in the CCS in 2015-2021



Source: Statistics Iceland

III. Main financing sources for the CCS

The share of Government expenditure on cultural services is among the highest in Europe, accounting for 1.2% of Iceland GDP in 2021.

● Direct Public support – Subsidies/Direct expenditure in CCS

Overall, Iceland earmarked EUR 239 million on cultural services in 2021.

Several policies and programmes have been put in place to support the CCS. One of the most prominent initiatives is Creative Iceland, a joint initiative between Business Iceland and the government of Iceland, aims at the internationalisation of the national CCS through the promotion of Icelandic cultural products. The Icelandic Film Centre offers direct grants to local filmmakers.

Furthermore, several other public funding schemes exist. Rannis, the Icelandic Center for Research, administers the main public competitive funds for cultural activities in the countries, and provides a useful tool on their website for funding research. These include the Artists' Salary Fund and several funding opportunities for both the Music and the Performing Arts Sector.¹¹⁹

● Indirect Public support – tax relief

Among other initiatives, Creative Iceland also offers a tax rebate scheme, with a 35% reimbursement of production expenses for Film projects that chose Iceland as a shooting location, with the aim of attracting international productions.

¹¹⁹ <https://en.rannis.is/funding/national-funds/>.

MARKET FIGHE — IRELAND



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

The Irish economy successfully withstood the challenges of the COVID-19 pandemic and is effectively managing the consequences of the war in Ukraine.¹²⁰ Ireland's general government budget balance registered a surplus of 1.6% of GDP in 2022 and in 2023 and 2024, government budget surpluses are forecast to widen to 1.7% and 2.2% of GDP, respectively.¹²¹ In terms of policy initiatives ongoing and planned investments have been set to address various challenges, including boosting housing supply and affordability and lower greenhouse gas emissions. In a broader context, the Irish government is also increasingly recognising the pivotal role of the CCS in propelling economic growth and the achievement of social goals.

The main objectives of Irish cultural policies relate to the protection, development and presentation of heritage, culture, Irish language and the arts. Since 2017, the Irish CCS are supported by the Creative Ireland Programme, led by the Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media.¹²² The programme is designed to promote creativity as a strategy for wellbeing, social cohesion, and economic success and embed creativity across public policies.¹²³ The 31 local authorities in Ireland have developed their own Culture and Creativity strategies to meet the needs of their communities, resulting in more than 7,500 creative initiatives since 2018.¹²⁴

Complementary to Creative Ireland is Culture 2025, Ireland's overarching cultural Policy Framework, which outlines the scope and overall government's policy direction for the entire CCS. Its primary purpose is to establish a unified and coherent approach to cultural policy across government entities, as well as planning and provision within the cultural sector. Through this Framework Policy, the government aims to nurture creativity, increase citizen participation, support sustainable careers in the cultural sector, promote Ireland's cultural richness, and ensure a cultural contribution to broader social and economic goals.¹²⁵

II. Presentation of key market data on the CCS

In Ireland, the Performing Arts subsector and the Audiovisual & Multimedia subsector by far have the largest economic weight of all CCS and employ the largest number of persons, respectively 61,372 and 42,106, and with almost EUR 2.2 billion and EUR 7.3 billion GVA in 2020.

120 OECD, Ireland Economic Snapshot (June, 2023). <https://www.oecd.org/economy/ireland-economic-snapshot/#>.

121 European Commission, Economic Forecasts for Ireland (May 2023). https://economy-finance.ec.europa.eu/economic-surveillance-eu-economies/ireland/economic-forecast-ireland_en.

122 The Department of Tourism, Culture, Arts, Gaeltacht, Sport, and Media plays a pivotal role in safeguarding and showcasing Ireland's rich cultural heritage, with a particular focus on promoting and preserving the Irish language. The Gaeltacht region is a unique area in Ireland where the Irish language thrives as the primary spoken language within households. Its official recognition dates back to the 1920s as part of a government initiative dedicated to revitalizing the Irish language.

123 Creative Ireland programme (2020, October 4). <https://www.gov.ie/en/publication/aca24-the-creative-ireland-programme/>.

124 31 Local Authorities commit to new Creative Ireland Culture and Creativity Strategies (2023, February 23). <https://www.gov.ie/en/press-release/4a77e-31-local-authorities-commit-to-new-creative-ireland-culture-and-creativity-strategies/>.

125 Culture 2025 (2019, April 15). <https://www.gov.ie/en/publication/62616d-culture-2025/>; <https://www.gov.ie/en/publication/62616d-culture-2025/>.

It is followed by the Books & Press subsector with EUR 868 million in GVA and 9,566 workers. While smaller in terms of GVA, the Visual Arts subsector is an important purveyor of employment, with 16,425 jobs in 2020.

GVA, number of enterprises and of persons employed in 2020 in Ireland						
CCS subsector	GVA at factor cost		Number of enterprises		Number of persons employed	
	EUR million	Share in non-financial business economy	Number	Share in non-financial business economy	Number	Share in non-financial business economy
Architecture	557	0.2%	2,537	0.9%	8,396	0.5%
Audiovisual & Multimedia	7,314	2.7%	7,274	2.7%	42,106	2.7%
Books & Press	868	0.3%	2,322	0.9%	9,566	0.6%
Heritage, Archives & Libraries*	-	-	263	0.1%	2,369	0.2%
Performing Arts	2,167	0.8%	11,582	4.3%	61,372	4%
Visual Arts	701	0.3%	6,981	2.6%	16,425	1.1%
Other CCS activities	407	0.1%	1,331	0.5%	5,775	0.4%
Total CCS	12,014	4.4%	32,290	11.9%	146,009	9.5%

Source: Eurostat (*GVA does not include data for Heritage, Archives and Libraries)

In Ireland, multinational enterprises strongly contribute to creative services exports, especially in computer services. As a matter of fact, Ireland was the second largest exporter of creative services after the US with EUR 162 billion in 2020.¹²⁶ The Irish government pursues a pro-business policy framework that promotes a highly successful, open, and competitive business environment. This is characterised by government support, a strong FDI base, and low corporate tax rates currently set at 12.5%.

III. Main Financing Sources for the CCS

The Irish CCS has recently experienced a significant turnaround following a decade of underinvestment in terms of public funding.¹²⁷ The National Development Plan 2018-2027 has recognised the importance of the Culture and Creativity investment programme as a priority for the Department of Culture, Heritage, and the Gaeltacht over the next ten years,

¹²⁶ Creative Economy Outlook 2022 (2022, October 7). UNCTAD. <https://unctad.org/publication/creative-economy-outlook-2022>.

¹²⁷ Compendium of Cultural Policies and Trends (2022), Short Country Profile Ireland. https://www.culturalpolicies.net/wp-content/uploads/pdf_short/ireland/ireland_short_08_2022.pdf.

● Direct Public support – Subsidies/Direct expenditure in CCS

In 2018, Project Ireland 2040 was launched, outlining the government's objectives for capital investment in Ireland's culture, language, and heritage over a ten-year period. The plan acknowledges the crucial role of high-quality infrastructure in fostering a vibrant arts, heritage, and culture sector. It recognises that investing in cultural heritage not only strengthens social cohesion but also supports robust and sustainable economic growth. The overarching goal of the plan is to provide improved social, economic, and cultural infrastructure, enabling every region of the country to realise their full cultural potential.¹²⁸ The National Development Plan 2018-2027, with a substantial allocation of EUR 265 million in funds is the implementing arm to deliver on these objectives.

The Arts Council has witnessed a significant increase in funding, signalling the renewed commitment to the sector. In 2020, an additional budget allocation of EUR 25 million was granted, followed by an impressive 70% increase in 2021, raising the budget from EUR 100 million to EUR 130 million. These budgetary adjustments reflect a response to the impact of COVID-19 pandemic. Encouragingly, the funding levels have remained stable throughout 2022, coinciding with the launch of the new Basic Income for Artists (BIA) three-year pilot scheme.¹²⁹

The introduction of the BIA pilot scheme has been widely successful, as demonstrated by the overwhelming response it received. With over 9000 applicants competing for a limited 2000 spots, it highlights the scheme's popularity and the strong demand within the artistic community. The BIA pilot scheme aims to support artists and arts workers by providing them with a basic income of EUR 325 per week, comparable to the Irish minimum wage. This assistance will be available from 2022 to 2025, offering a reliable basic financial foundation for artists during this period.¹³⁰

● Sponsorship/Donations

Despite these positive developments, private funding of the arts and culture sector remains relatively low compared to public funding. Efforts have been made to increase philanthropy and private sponsorship in the years following the recession, leading to marginal increases in private funding.¹³¹

128 Project Ireland 2040, (2018, June 19). <https://www.gov.ie/en/campaigns/09022006-project-ireland-2040/>.

129 Compendium of Cultural Policies and Trends (2022), Short Country Profile Ireland. https://www.culturalpolicies.net/wp-content/uploads/pdf_short/ireland/ireland_short_08_2022.pdf.

130 [gov.ie](https://www.gov.ie) - Basic Income for the Arts Pilot Scheme (www.gov.ie).

131 Compendium of Cultural Policies and Trends (2022), Short Country Profile Ireland. https://www.culturalpolicies.net/wp-content/uploads/pdf_short/ireland/ireland_short_08_2022.pdf.

MARKET FIGHE

— ITALY



I. Specificity of the Italian market – context and introduction

Italy's economic growth slowed down after the post-pandemic rebound, with GDP decreasing by 0.4% in the second quarter of 2023 due to falling domestic demand, particularly in construction.¹³² GDP is forecasted to grow by 0.9% in 2023 and 0.8% in 2024. Consumer spending was affected by high inflation, but modest wage increases are expected to support consumption. Investment activity will contract in 2023 but is anticipated to pick up moderately in 2024, supported predominantly by infrastructure and equipment investments.

Culture plays a central role in Italy, a country with 58 UNESCO World Heritage Sites, placing it at the top of the global ranking for the number of recognised heritage sites. Many Italian regions and cities are actively promoting their creative talents: nine Italian cities are part of the UNESCO creative cities network (Carrara and Fabriano for crafts, Rome for Cinema, Alba and Parma for Gastronomy, Turin for Design, Bologna and Pesaro for Music, and Milan for Literature), and Matera was the European Capital of Culture in 2019.

While it is undeniable that culture is one of Italy's strengths, funding and policies mainly focus on Cultural Heritage which absorbs the majority of financial resources allocated to the CCS (40% of the total expenditure of the Ministry of Culture in 2020).¹³³ However, support for contemporary cultural production and the creative economy is increasingly provided. Greater focus on CCS growth was also behind the changes in 2021, when the Ministry of Cultural Heritage was split from the Ministry of Tourism.

II. Presentation of key market data on the CCS

Italy is among the leading European creative economies and ranks third in terms of both turnover and employment in the CCS (behind France and Germany), according to Eurostat data.¹³⁴ According to the 'Io sono cultura 2022' report,¹³⁵ the CCS in Italy were valued at EUR 88.6 billion in 2021, an 4.2% increase on 2020. Moreover, in 2021 Italian CCS accounted for 5.6% of value added by the entire Italian economy. The CCS counted 1.46 million employees in 2021 (5.8% of the Italian workforce) but employment was greatly affected by the COVID-19 downturn and has yet to recover, registering a 0.6% yearly decline in 2021. Every year, Fondazione Symbola elaborates on data collected by Unioncamere (the public body that represents the Italian Chambers of Commerce) and publishes a comprehensive report 'Io sono cultura' on the state of the CCS in Italy.

¹³² European Commission, Economic Forecast for Italy 2023. https://economy-finance.ec.europa.eu/economic-surveillance-eu-economies/italy/economic-forecast-italy_en.

¹³³ https://www.culturalpolicies.net/country_profile/italy-1-1/.

¹³⁴ Eurostat data, compiled and analysed by Deloitte/KEA.

¹³⁵ <https://www.symbola.net/ricerca/io-sono-cultura-2022/>.

GVA, number of enterprises and of persons employed in 2021 in Italy

CCS subsector	GVA at factor cost				Number of enterprises			Number of persons employed			
	EUR million	% out of the CCS	% out of total economy	% difference with 2019	in thousands	% out of total economy	% difference with 2019	in thousands	% out of the CCS	% out of total economy	% difference with 2019
Design & Architecture	7,091	8%	0.4%	-3.8%	83	-4.8%	83	148	10.1%	0.6%	0.2%
Communication	4,846	5.5%	0.3%	-6.5%	40	4.5%	40	111	7.6%	0.4%	-0.9%
Audiovisual & Music	5,227	5.9%	0.3%	-11.6%	16	-3.3%	16.4	55	3.8%	0.2%	-3%
Video Games & Software	13,988	15.8%	0.9%	7.6%	31	6.7%	31.2	179	12.3%	0.7%	7%
Publishing & Press	10,542	11.9%	0.7%	-5.3%	68	-5%	68	195	13.4%	0.8%	-5.5%
Performing & Visual Arts	4,225	4.8%	0.3%	-21.9%	31	0.2%	30.7	91	6.2%	0.4%	-15.6%
Artistic & Cultural Heritage	2,696	3%	0.2%	-11.8%	1	11.9%	1	51	3.5%	0.2%	-14.6%
Total CCS	48,615	54.9%	3.1%	-4.8%	270	-1.5%	270.3	831	56.9%	3.3%	-3.2%
Creative jobs outside the CCS	39,970	45.1%	2.5%	-1.7%	N/A	N/A	N/A	629	43.1%	2.5%	-1%
Total Creative economy	88,585	100%	5.6%	-3.4%				1,460	100%	5.8%	-2.3%

Source: Unioncamere e Fondazione Symbola, 2022

In 2021, the Italian CCS were still suffering from the severe lockdown measures implemented during the COVID-19 pandemic, which forced cultural institutions to shut down for the greatest part of 2020 and a few months in early 2021. As a result, most of the CCS registered significantly lower values (for both GVA and employment) in 2021 than pre-COVID-19, with the Performing Arts and Visual Arts subsectors losing a staggering 21.9% of value added and 15.6% of jobs between 2019-2021. Lower declines are registered by creative-driven activities (activities of cultural and creative professionals working in sectors other than the CCS), showing how the CCS have been more severely hit by the COVID-19 pandemic than other industries. The only positive exception is the Video Games and Software subsector which, opposed to more traditional cultural goods, benefited from lockdown measures, registering a 7.6% increase in value added from pre-COVID-19 times. This increase in value added enabled the Video Games and Software subsector to overtake the Publishing & Press subsector in 2021 to become the largest subsector. Furthermore, the Italian CCS are, for the most part, geographically clustered, heavily reflecting the broader North-South divide faced by the country. Around 41.4% of CCS-driven value added is produced in northwestern regions (Lombardy alone accounts for 29.8% of the whole industry while Piedmont is another strong contributor). Lazio, where Rome is located, is the second biggest region in terms of value added (17.3%).

III. Main financing sources for the CCS

CCS financing in Italy has usually followed a mixed economic rationale, with public institutions being the main funding source for core cultural sectors (heritage, museums, libraries, etc.) while creative industries (audiovisual, music, design, etc.) have a more market-driven approach, although supported by public institutions in case of poor market performance.

● Direct Public support – Subsidies/Direct expenditure in CCS

The Italian government spent 0.85% of total public expenditure on the CCS in 2020, an increase on 0.6%, registered in 2014.¹³⁶ Similar positive changes are also observable in per capita expenditure which increased from EUR 82 to EUR 135 between 2014-2020. Public expenditure on the CCS is divided between central government and local administrations, however there is a trend towards greater centralisation. Italy's central government accounted for 45% of total public expenditure in 2014, rising to 63% in 2020.

As previously mentioned, most public support is absorbed by heritage-preserving activities. Examining the Ministry of Culture's budget by domain reveals that in 2020, 40% of the total budget was dedicated to Heritage, 11.6% to Performing Arts, 10.7% on Cinema and only 0.01% to Contemporary Art and Architecture. In terms of structured support to the CCS (beyond heritage), the main instrument is the *Fondo Unico per lo Spettacolo*, a fund aimed at providing financial support to Performing Arts organisations, with funding of EUR 408 million in 2021.

● Financing available (public/private)

Other notable initiatives to support the CCS have emerged recently. This includes the *Fondo Imprese Creative*, a fund managed by Invitalia (the national development agency) in 2022. This fund supports cultural and creative industries (EUR 27 million) and SMEs willing to obtain a creative specialisation (EUR 9.6 million). Reflecting the set-up of other support schemes, this fund consists of a 40% grant and 60% interest-free subsidised loan for up to EUR 500,000.

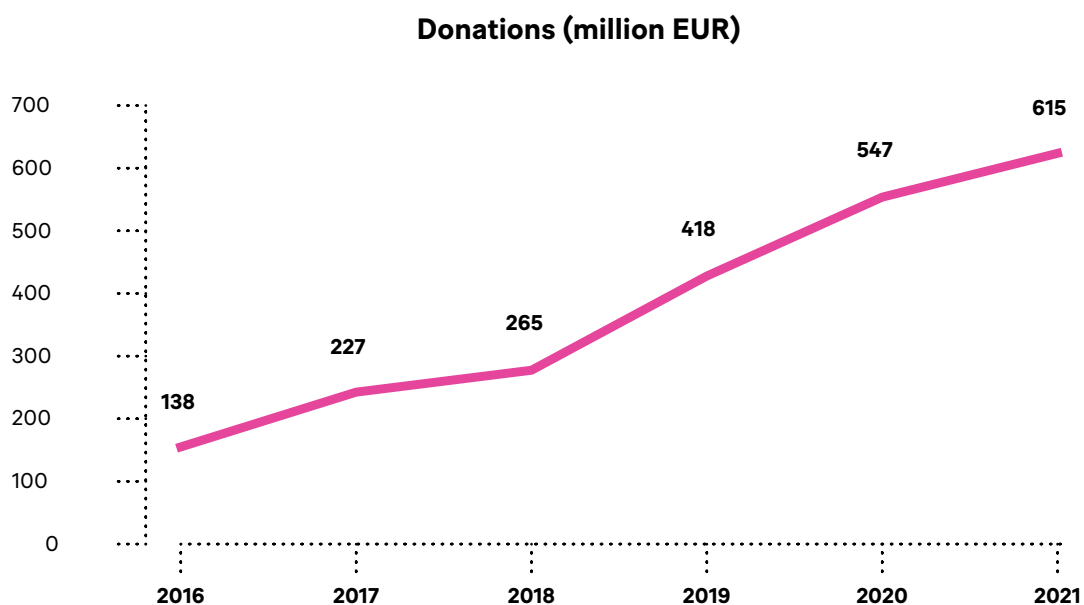
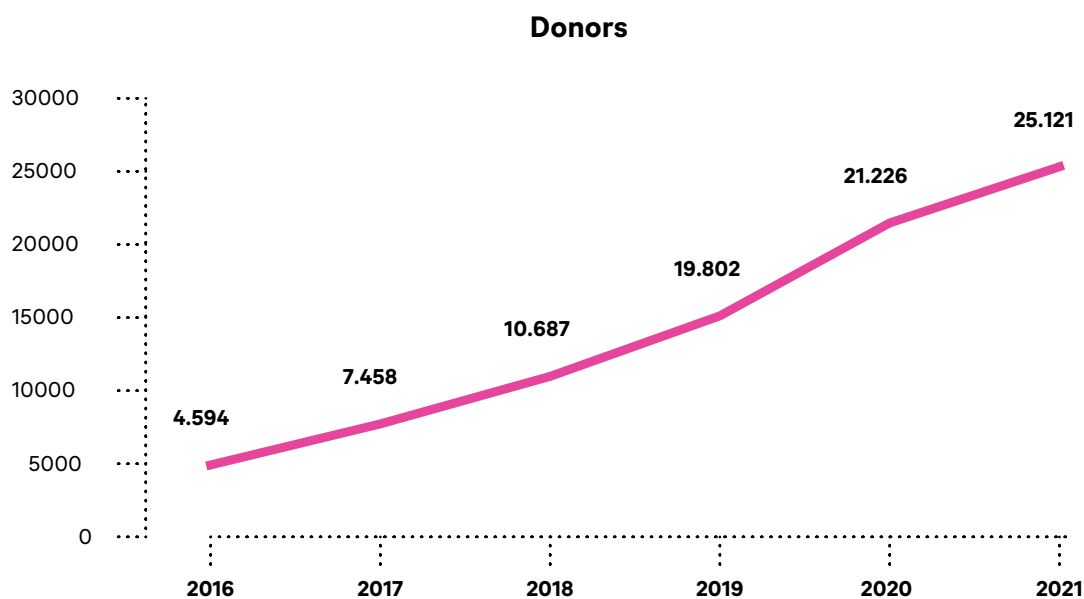
● Sponsorship/Donations

Among the private institutions with a major role in supporting Italian CCS are banking foundations. Out of the 86 foundations on Italian territory,¹³⁷ 76 are concentrated in the northern and central regions and are mandated by law to operate in their respective areas. In 2020, banking foundations handed out a total of EUR 950 million in grants (+4.3% compared to 2019). The Cultural sector receives the most funding out of all sectors supported by foundations (23.2%), but the total amount available through foundation support is rapidly decreasing. Between 2010 and 2020, support decreased by over 43% of its total amount. The two biggest banking foundations, *Fondazione Cariplo* (in Lombardy) and *Compagnia di San Paolo* (in Piedmont), are both related to the biggest Italian bank (Intesa San Paolo) and are important sponsors of the CCS in Italy.

136 https://www.culturalpolicies.net/wp-content/uploads/pdf_full/italy/Full-Country-Profile_Italy0522.pdf elaboration of Eurostat/Istat data.

137 <https://www.welforum.it/wp-content/uploads/2021/10/26-rapporto-annuale-2020b.pdf>.

Furthermore, an important innovation was introduced into the Italian legislative system in 2014, the *Art Bonus*, a tax credit aimed at encouraging private participation in supporting public cultural heritage, favouring liberal donations in support of culture and entertainment by allowing donors to benefit from a tax credit of up to 65% of the expenditure made. The Art Bonus is becoming an increasingly common mechanism for cultural financing in Italy, both regarding the number of donors and total amount donated.



Source: Federculture, XVII Report; Ales s.p.a, 2021

MARKET FICHE

— LATVIA



I. Specificity of the Latvian market – context and introduction

In 2023, Latvia's GDP growth is expected to be 1.4%, hindered by high inflation affecting private consumption as well as delays to public investment programmes.¹³⁸ However, a rebound is anticipated mid-year as inflation subsides and investments gain momentum, leading to a growth rate of 2.8% in 2024. Inflation is forecast to decrease gradually, reaching 9.3% in 2023 and 1.7% in 2024. Unemployment is expected to fall slightly in 2023 and decrease further in 2024, with the general government deficit projected to decrease to 3.8% of GDP in 2023 and 2.7% in 2024, influenced by various factors including public expenditures and the phase-out of energy support measures. The debt-to-GDP ratio is expected to reach 39.7% in 2023 and slightly increase to 40.5% in 2024 due to higher nominal GDP growth.

Due to its location in the Baltic area and small size, Latvia has developed its CCS and support policies in close collaboration with Estonia and Lithuania, the two other Baltic states. Although financing for creative activities has significantly improved since 1998 through the establishment of the Culture Capital Foundation, cultural policies in Latvia have only recently been integrated in national development plans.

The first of such policy plans was the National Culture Policy Guidelines 2006-2015, adopted in 2006, when the importance of the creative economy was included for the first time in broader national cultural policies.¹³⁹ Since then, the CCS have been continuously integrated in medium- and long-term national development plans, including the Latvia National Development Plan of 2007-2013 and, subsequently, that of 2014-2020, as well as in the Sustainable Development Strategy of Latvia up until 2030.

II. Presentation of key market data on the CCS

According to Eurostat data, Latvia has seen in recent years a significant boost in the CCS. The Audiovisual & Multimedia subsector is by far the main CCS subsector representing almost two thirds of total CCS GVA and almost half of CCS jobs. The Performing Arts subsector is nevertheless significant regarding number of enterprises, with 4,423 enterprises (coming close to the 4,511 enterprises from the Audiovisual & Multimedia subsector).

¹³⁸ European Commission, Economic Forecast for Latvia (2023). https://economy-finance.ec.europa.eu/economic-surveillance-eu-economies/latvia/economic-forecast-latvia_en.

¹³⁹ <https://es.unesco.org/creativity/policy-monitoring-platform/national-culture-policy>.

GVA, number of enterprises and of persons employed in 2020 in Latvia

CCS subsector	GVA at factor cost		Number of enterprises		Number of persons employed	
	EUR million	Share in non-financial business economy	Number	Share in non-financial business economy	Number	Share in non-financial business economy
Architecture	40	0.30%	1,065	0.96%	2,966	0.48%
Audiovisual & Multimedia	774	5.77%	4,511	4.06%	24,724	3.99%
Books & Press	163	1.22%	1,990	1.79%	8,627	1.39%
Heritage, Archives & Libraries*	-	-	51	0.05%	146	0.02%
Performing Arts	76	0.57%	4,423	3.98%	8,123	1.31%
Visual Arts	45	0.33%	2,027	1.82%	4,740	0.77%
Other CCS activities	74	0.55%	1,023	0.92%	4,109	0.66%
Total CCS	1,172	8.7%	15,090	13.6%	53,435	8.6%

Source: Eurostat (*GVA does not include data for Heritage, Archives and Libraries)

Concerning employment, a 22% increase was registered by the Latvian CCS in the 2008-2020 period. Interestingly, this increase has been mostly driven by the Audiovisual & Multimedia subsector and the Performing Arts subsector (registering +132% and +53%, respectively), while the number of people employed in all other subsectors decreased, particularly in the Books & Press subsector (-36%).

Enterprise numbers tell a similar story. The number of enterprises tell a similar story significantly increased by +123% in the 2008-2020 period, once again driven mostly by the Audiovisual & Multimedia subsector and the Performing Arts subsector (+215% and +258%, respectively). Contrary to trends in turnover and number of employees, the number of active enterprises also grew in the Books & Press subsector and the Architecture subsector, implying that enterprises active in those fields are becoming smaller both in terms of turnover and number of employees.

III. Main financing sources for the CCS

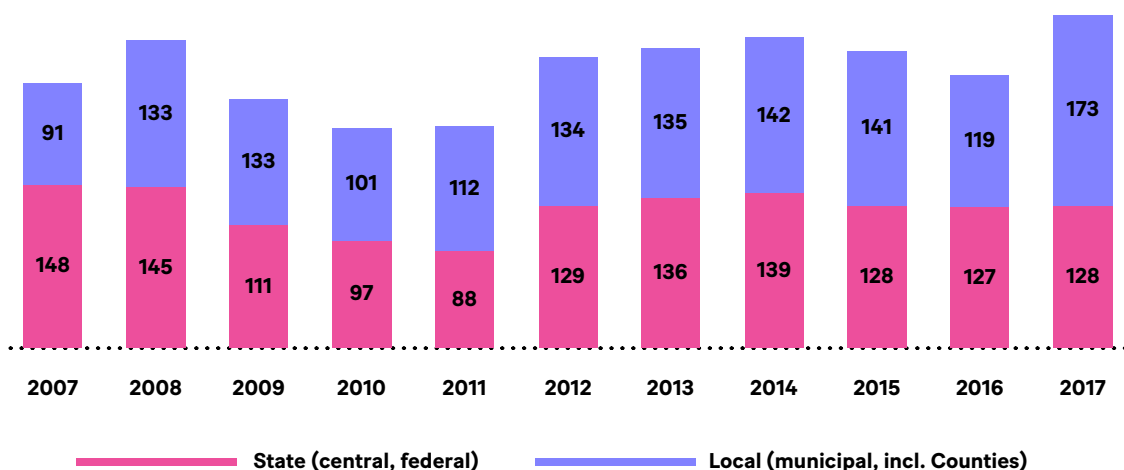
In 2021, Latvia was the European country with the highest percentage of government spending on cultural services (2.3%),¹⁴⁰ a figure which has been decreasing in recent years (3% in 2017). According to the Central Statistical Bureau of Latvia, in 2017 almost 60% of total public expenditure came from local governments.

140 Eurostat (2023), data on public expenditure on culture.

● Direct Public support – Subsidies/Direct expenditure in CCS

The main institution managing cultural and creative policies is the Ministry of Culture. Funding for the CCS is shared equally between national bodies and local authorities.

Public cultural expenditure by level of government, 2001-2017 (EUR thousands)



Source: Compendium of Cultural Policies – Country profile: Latvia

Public expenditure in culture slowed down after the 2008 financial crisis, with severe cuts to several programmes, and has only recently returned to pre-crisis levels.

● Indirect Public support – social security measures

A recent law (2018) has for the first time officially determined the status of creatives and professional creative organisations, and established several support measures, among which the recognition of financial support for those professionals that do not receive constant salaries.¹⁴¹ The State Cultural Capital Foundation provides grants in several artistic disciplines. Furthermore, in recent years, the Ministry of Culture has put in place many programmes in support of the CCS, ranging from the creation of Creative hubs – such as TABFAB in Riga, a physical and virtual platform and incubator for creative industries promoting cross-sectorial collaboration – to programmes such as RaPaPro that aims at transferring culture-based creativity to other areas through the involvement of several national stakeholders from the cultural, educational and business sectors.

● Sponsorship/Donations

Regarding sponsorship, the most important institution is the Boris and Inara Teterev Foundation, a philanthropic organisation founded in 2010 that supports cultural and educational programmes. Detailed data on private financing is not available however arts patronage plays a significant role.¹⁴²

¹⁴¹ <https://likumi.lv/ta/en/en/id/295594-law-on-the-status-of-creative-persons-and-professional-creative-organisations>.

¹⁴² Compendium of Cultural Policies – Country profile: Latvia.

MARKET FICHE

— LITHUANIA



I. Specificity of the Lithuanian market – context and introduction

Lithuania's economy witnessed robust and balanced growth before the COVID-19 crisis. Increased investments and household disposable income contributed to a decade-long economic expansion, with an average real GDP growth rate of 3.6% for 2014-2020. The economy experienced rising labour productivity and improved financial conditions for households and enterprises, maintaining a strong growth trajectory.¹⁴³

This positive economic performance was reflected in the significant growth of household spending on recreation and culture prior to the pandemic. From 2011 to 2019, per capita household spending on recreation and culture in Lithuania increased by 165%, surpassing overall growth in total household spending of 45% during the same period. However, in 2020, the pandemic led to a slight decline in real GDP per capita, resulting in a 25% decrease in household spending on culture.¹⁴⁴ Fortunately, with the gradual return to normality and subsequent increase in GDP in 2021 (5% higher than in 2020), it is anticipated that household expenditure on culture will rebound and experience growth once again.¹⁴⁵

Lithuania's current cultural policy is heavily influenced by the 2021-2030 Culture and Creativity Development Programme. Aligned with European cultural policy principles, this programme covers diverse aspects of culture with social, economic and international dimensions. It has been designed to support the fourth goal of the National Development Plan of Lithuania for 2021-2030,¹⁴⁶ in which the Ministry of Culture plays a pivotal role. This goal specifically emphasises strengthening national and civic identity, promoting culture and fostering societal creativity.¹⁴⁷

II. Presentation of key market data on the CCS

In Lithuania, the Audiovisual & Multimedia subsector stands out as the largest contributor to the economy, generating EUR 803 million in GVA in 2020. The Books & Press subsector comes next, with EUR 200 million GVA.

Concerning the number of enterprises, the Performing Arts subsector takes the lead with 9,114 enterprises. It is followed by the Audiovisual & Multimedia subsector, the Visual Arts subsector, and the Books & Press subsector, with 7,451, 6,425 and 4,431 enterprises, respectively.

143 European Commission, Lithuania Country Report 2022. https://commission.europa.eu/system/files/2022-05/2022-european-semester-country-report-lithuania_en.pdf.

144 OECD (2023), "Culture and the creative economy in Lithuania and municipalities of Klaipėda, Neringa and Palanga", OECD Local Economic and Employment Development (LEED) Papers, No. 2023/02, OECD Publishing, Paris. <https://doi.org/10.1787/df27cd5b-en>.

145 European Commission, Lithuania Country Report 2022. https://commission.europa.eu/system/files/2022-05/2022-european-semester-country-report-lithuania_en.pdf.

146 In 2012, Lithuania's Parliament approved the Lithuania 2030 long-term national strategy, which outlines the country's vision and key development priorities, along with instructions on how to carry them out. To put this strategy into action, the Lithuanian government has adopted comprehensive, long-term development plans. The National Development Plan for Lithuania 2021-2030 lays out ten strategic objectives that the country aims to accomplish over the coming decade.

147 Compendium of Cultural Policies and Trends (2022), Country Profile Lithuania. https://www.culturalpolicies.net/wp-content/uploads/pdf_full/lithuania/Full-Country-Profile_Lithuania.pdf.

GVA, number of enterprises and persons employed in 2020 in Lithuania

CCS subsector	GVA at factor cost		Number of enterprises		Number of persons employed	
	EUR million	Share in non-financial business economy	Number	Share in non-financial business economy	Number	Share in non-financial business economy
Architecture	54	0.22%	1,745	0.76%	3,965	0.39%
Audiovisual & Multimedia	803	3.3%	7,451	3.3%	25,303	2.48%
Books & Press	200	0.82%	4,431	1.9%	11,153	1.09%
Heritage, Archives & Libraries*	-	-	31	0.01%	365	0.04%
Performing Arts	85	0.35%	9,114	4%	5,555	0.54%
Visual Arts	84	0.35%	6,425	2.8%	10,991	1.08%
Other CCS activities	93	0.38%	2,085	0.9%	8,787	0.86%
Total CCS	1,319	5.41%	31,282	13.7%	66,119	6.48%

Source: Eurostat (*GVA does not include data for Heritage, Archives and Libraries)

Between 2011 and 2020, the CCS experienced a notable employment growth of 18.2%, accounting for 4% of total employment in Lithuania.

The recent surge in employment can be mainly attributed to the increased number of jobs in the Architecture subsector, as well as design and photography, which witnessed an impressive growth of approximately 86% between 2013 and 2020. The core cultural subsectors' (e.g. the Heritage, Archives & Libraries) employment rate has grown by around 11% between 2013 and 2020, contributing to 17% of the total workforce. This could indicate a stronger level of public support for these subsectors, which is reflected in the increased public spending on the CCS.

Similarly to other countries, the CCS in Lithuania has a high proportion of self-employed and temporary contract workers. In 2020, the percentage of self-employed individuals in the CCS employment was more than twice that of the overall employment rate (23% compared to 11%). However, this is still lower than the corresponding figures in the EU, where the self-employed rate for the CCS is 33% (and 14% for overall employment). Furthermore, cultural and creative workers in Lithuania have a lower percentage of full-time contracts compared to the overall employment rate (87% vs. 93%). Nevertheless, this is higher than the EU average, where full-time contracts account for 76% in the CCS and 81% in total employment. The highest proportion of freelancers can be found in film, performing arts and photography activities within the CCS.¹⁴⁸

148 OECD (2023), "Culture and the creative economy in Lithuania and municipalities of Klaipėda, Neringa and Palanga", OECD Local Economic and Employment Development (LEED) Papers, No. 2023/02, OECD Publishing, Paris. <https://doi.org/10.1787/df27cd5b-en>.

III. Main Financing Sources for the CCS

Financing for Lithuania's CCS primarily relies on public sources. Several public institutions provide financial support to artists and cultural initiatives through various funding programmes. These institutions include the Ministry of Culture of the Republic of Lithuania, the Lithuanian Council for Culture, the Press, Radio and Television Support Foundation, the Film Centre and the Lithuanian Culture Institute.

● Direct Public support – Subsidies/Direct expenditure in CCS

In 2020, Lithuania's total general government expenditure amounted to EUR 21,234 million. Public expenditure on recreation, culture and religion across all levels of government accounted for EUR 702 million, equivalent to 3.3% of total public expenditure. The central government contributed EUR 360.4 million while local governments contributed EUR 341 million to this allocation.¹⁴⁹

Over the past five years, there has been a gradual increase in total public expenditure on recreation and culture. This rise can be attributed to both increased funding allocated to culture and a decline in the population. As a result, per capita cultural expenditure has also seen an upward trend. From 2015 to 2019, the share of cultural expenditure in GDP remained relatively stable at around 1%. However, in 2020, it increased to 1.4%.

In 2021, the Council for Culture allocated the largest portion of funding to music projects, which accounted for 20.39% of the total allocation. Theatre projects ranked second, receiving 14.04% of the funding, followed by the publication and translation of literature and humanities at 9.09%. Approximately one-third of total funding was received by organisations funded by State or municipal budgets.

● Indirect Public support – tax relief

In the past decades, the national government has implemented several strategies to encourage private support for the CCS. These strategies include tax relief schemes and charity and sponsorship laws that directly target CCS or offer benefits to the sector. For instance, the film tax relief scheme introduced in 2014 offers the opportunity to save up to 30% of a film production budget. Other important changes include the inclusion of artists and creators in the law on charity and sponsorship (since 2017), and the law on patronage which incentivises donations to culture (up to 1.2% of taxable income).

● Sponsorship/Donations

According to the State Tax Inspectorate under the Ministry of Finance of the Republic of Lithuania, approximately 6.4% of private sponsorship from enterprises is allocated to the cultural sector. In 2020, legal persons involved in creative arts, entertainment, libraries, archives and museums received over EUR 4 million in sponsorships. However, these activities receive three times less support than education and almost eight times less support than sport, amusement and recreation activities. The total amount provided by sponsors for culture has not significantly changed over the last five years.

149 Compendium of Cultural Policies and Trends (2022), Country Profile Lithuania. https://www.culturalpolicies.net/wp-content/uploads/pdf_full/lithuania/Full-Country-Profile_Lithuania.pdf.

MARKET FICHE

— LUXEMBOURG



I. Specificity of the Luxembourgish market – context and introduction

Real GDP growth in Luxembourg is poised to start low in 2023 at 1.6% before showing signs of recovery, reaching 2.4% in 2024. The sluggish growth in 2023 is attributed to reduced private consumption and weakened investment, influenced by tighter financing conditions and geopolitical uncertainty. Private consumption growth is expected to rebound, supported by the use of excess savings and additional government support measures. Meanwhile, investment is likely to remain subdued, affected by rising interest rates and their impact on borrowing capacity and mortgage demand. The positive contribution from net exports, driven by export and import growth, will contribute to an overall GDP growth rate of 1.6% in 2023. Looking to 2024, with a projected GDP growth rate of 2.4%, the economy is set to return to its growth trajectory, primarily supported by a revival in investment and continued positive contributions from net exports.¹⁵⁰

The CCS in Luxembourg are increasingly dynamic, notably with the organisation of three European Capitals of Culture in 1995, 2007 and 2022, which provided a platform for local artists and cultural organisations to showcase their work to a wider audience.

With three official languages, Luxembourgish, French and German, Luxembourg's artistic production, especially literature or theatre, is characterised by multilingualism: this is both an asset and a challenge. Proud of its cultural diversity, Luxembourg promotes intercultural events and programmes that contribute to sparking dialogue between different members of the Luxembourgish community, such as the organisation of the *Salon du Livre et des cultures* (Books and Cultures Festival) or *Artmanif, Meeting of Cultures and Contemporary Arts*.

Recently, the government has showcased a positive attitude towards cultural cooperation between European countries and has put an emphasis on the importance of increasing participation in cultural policymaking, with the organisation of "Les assises" for the cultural sector and its subsectors since 2016. These forums have provided an opportunity for artists, cultural professionals and policymakers to exchange ideas and best practices, and to develop new strategies for supporting the CCS industries in Luxembourg.

II. Presentation of key market data on the CCS

The CCS constitute a significant and valuable segment of the Luxembourg economy, comprising 4,829 active enterprises, i.e. 13% of all businesses in Luxembourg in 2020.¹⁵¹

¹⁵⁰ European Commission, Economic Forecast for Luxembourg, 2023. https://economy-finance.ec.europa.eu/economic-surveillance-eu-economies/luxembourg/economic-forecast-luxembourg_en.

¹⁵¹ Eurostat.

GVA and employment for the Cultural and Creative Industries in 2021

CCS subsector	GVA (EUR million)		Employment
	Commercial	Non-Commercial	
Architecture	202	0	5,718
Visual Arts	51	0	2,264
Performing Arts	13	80	1,682
Audiovisual & Multimedia	158	8	1,261
Cultural Education	2	89	1,412
Books, Press & Translation	101	0	7,968
Cultural Heritage	1	89	984
Advertising	95	0	5,309
Total CCS	624	268	26,599

Source: STATEC, national accounts – current prices, 2022

According to the National Institute of Statistics and Economic Studies of the Grand Duchy of Luxembourg, the most significant CCS subsectors in terms of employment are the Books, Press & Translation subsector (7,968), the Architecture subsector (5,718) and the Advertising subsector (5,309). In the past ten years, the subsectors that grew the most are the Advertising subsector followed by the Visual Arts subsector and the Architecture subsector. On the other hand, the Cultural Heritage subsector and the Audiovisual & Multimedia subsector decreased the most.

While CCS actors showed resilience by adapting their practices to the new requirements of COVID-19 pandemic restrictions, the CCS were nonetheless impacted by the crisis. The GVA generated by the CCS had been on a steady growth path for several years but the pandemic caused a halt in this long-term trend due to a decrease in commercial CCS production.

Emphasising the importance of culture beyond numbers, especially for the wellbeing of Luxembourgers, the Government of Luxembourg put in place a set of support measures to mitigate the impact of the COVID-19 pandemic on the CCS. The “Neistart Lëtzebuerg – Culture” programme, a EUR 5 million recovery plan, was launched in May 2020 and benefitted 220 organisations.¹⁵²

Overall, in 2021, the CCS in Luxembourg seemed to be back on a growth path, with CCS GVA far exceeding its pre-COVID-19 levels, except for the commercial Performing Arts and Book, Press, and Translation sectors which were still experiencing lower outputs than in 2019.

¹⁵² Ministry of Culture (2020), *Rapport d'activité 2020 du ministère de la Culture*.

III. Main financing sources for the CCS

In Luxembourg, funding for the CCS is provided through a variety of channels, including direct and indirect support from the Ministry of Culture as well as from complementary and additional governmental and private support providers and cross-border initiatives.

● Direct Public support – Subsidies/Direct expenditure in CCS

Direct support for the CCS is mainly provided by:

1. The Ministry of Culture in Luxembourg, which operates in the following ways:
 - “Conventions” or agreements with around 80 cultural and creative structures, associations, federations etc. that receive a fixed amount of public funding in return for a specific project or, mostly, specific missions to be fulfilled by the beneficiaries that thus become important actors for the implementation of cultural policy.
 - Subsidies.
 - Grants to support artistic creation, development and retraining.¹⁵³
2. The Ministry of Culture also supports the CCS through:
 - The commissioning of musical works.
 - The acquisition of works created by Luxembourg artists or artists living/working in Luxembourg for the art collection of the Ministry of Culture.
 - Provisioning the Bourglinster Annexes, i.e. workshops for emerging national and international artists.
 - The “Kunst am Bau” which requires since 2011 that public buildings and infrastructure projects, as well as private buildings that receive public funding, allocate a percentage of their budget for the creation of artistic works.

Other support providers complement the actions of the Ministry of Culture, which mainly provides support for the following sectors: plastic arts, dance, literature, music, heritage, theatre and socio-cultural arts. The Arts Council of Luxembourg notably provides a major part of subsidies to the CCS.¹⁵⁴ The National Cultural Fund FOCUNA¹⁵⁵ and the Fonds National de Soutien à La Production Audiovisuelle¹⁵⁶ are two public funds providing subsidies to CCS organisations, as well as different types of support (including subsidies and grants) dedicated to encouraging film and audiovisual creation, and promoting the development of the audiovisual production sector.

● Sponsorship/Donations

The Fondation Indépendance, established by the Banque Internationale à Luxembourg, supports art and culture by financing exhibitions, musicians and musical events, and acquiring artworks. Finally, the Fondation de Luxembourg encourages and guides individuals and enterprises who wish to make long-term philanthropic commitments to significant cultural projects.

153 Compendium of Cultural Policies and Trends (2023), Chapter 7. *Luxembourg: Financing and Support*. <https://www.culturalpolicies.net/database/search-by-country/country-profile/category/?id=45&g1=7>.

154 <https://www.kulturix.lu/>.

155 <https://www.focuna.lu/fr/>.

156 <https://filmfund.gouvernement.lu/fr.html>.

● Others

Luxembourg is part of the Grande Région, a cross-border area encompassing territories from Belgium, France and Germany¹⁵⁷ bringing together a diversity of languages, customs and traditions, aiming to promote cooperation and integration between the different territories, notably in terms of culture and tourism. A specific Interreg programme is dedicated to the Grande Région, namely "Interreg Grande Région", which will invest EUR 182 million in transnational cooperation projects during the 2021-2027 period. Compared to other Interreg programmes, Interreg Grande Région has a clear focus on culture, strengthening the role of culture in economic development, social inclusion and social innovation through the promotion of tourism based on the cultural and natural heritage of the Greater Region, and promoting integrated and inclusive local development in social, economic and environmental terms as well as culture, natural heritage, sustainable tourism and security in non-urban areas.

The working group for culture of the Summit of the Greater Region aims to strengthen and structure the cross-border dialogue between cultural professionals across the Greater Region through providing resources to cultural actors. The Grande Région for instance developed the musical program "Initiative Pop" and "Multipistes" and is aiming to create a Residency for young musicians and a Film Festival for the region in 2024.¹⁵⁸ In addition, the Fund for Cooperation of the Grande Région can finance cultural citizen-led small cross-border projects.¹⁵⁹

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

158 La Grande Région (2023), Présidence renhan-palatine de la Grande Région 2023-2024: Programme de travail 2023 pour le GT Culture, La Grande Région. <https://www.granderegion.net/Institutions/Le-Sommet-en-detail/Presidence>.

159 <https://www.granderegion.net/Fonds-de-cooperation/Appel-a-projets>.

MARKET FIGHE

— MALTA



I. Specificity of the Maltese market – context and introduction

In 2022, the Maltese economy exhibited robust growth at 6.9%, driven by domestic demand and services exports, particularly benefitting from a tourism recovery. However, in 2023, growth is anticipated to sink to 3.9% due to high inflation affecting household incomes and consumption. This deceleration is set to rebound in 2024 with predicted GDP growth of 4.1%, buoyed by ongoing net migration. Although the general government deficit was 5.8% in 2022, one of the highest in the EU, it is projected to decrease gradually in the coming years. Supported by strong private consumption and investment, the Maltese economy witnessed impressive employment growth of 6.0% in 2022. This trend is set to continue in 2023 and 2024, driven by population growth and continued foreign worker attraction, despite labour and skills shortages.¹⁶⁰

Malta's cultural activity has been shaped by its strategic location at the centre of the Mediterranean Sea. Over the centuries, Malta has been a sought-after territory occupied by various foreign powers. However, such diversity of cultures has not always acted in favour of preserving and fostering Malta's heritage and culture due to conflicting cross-cultural interactions. Malta started developing a cultural policy in the 1960s after gaining independence from the United Kingdom. In 2021, a revised National Cultural Policy was released by the Ministry for National Heritage, the Arts and Local Government, ten years after the initial policy's issuance.¹⁶¹ Subsequently, in 2022, Arts Council Malta unveiled its second strategic document, entitled "Strategy2025: Care, Create, Flourish".¹⁶² Furthermore, by the end of 2022, Malta introduced its inaugural Regional Cultural Strategies, encompassing all six regions, signifying a formal recognition of cultural policy at both regional and local level.

Nowadays, Malta boasts a dynamic cultural and creative economy.¹⁶³ The government has put an emphasis on the importance of the CCS as a driver of economic development and an instrument to improve quality of life. As a result, Malta, which has a significant and rapidly growing e-sports sector, stands out as one of the most advanced European countries in terms of supporting local game development and e-sports. Recent sectorial strategies aimed at fostering the development of the CCS in Malta include a 'Vision for Video Game Development and E-sports'.¹⁶⁴ This initiative notably encompasses tax rebates, grants for firms, the establishment of a Venture Capital Investment Fund and the creation of startup incubators.

Malta thrives in the Tourism and Crafts sectors and possesses a rich cultural heritage shaped by Roman, Byzantine, Ottoman and British influences. This heritage includes some of the oldest

¹⁶⁰ European Commission, Economic Forecast for Malta, 2023. https://economy-finance.ec.europa.eu/economic-surveillance-eu-economies/malta/economic-forecast-malta_en.

¹⁶¹ https://meae.gov.mt/en/Public_Consultations/MHAL/PublishingImages/Pages/Consultations/NationalCulturalPolicy2021/National_Cultural_Policy_2021-Public_Consultation.pdf.

¹⁶² <https://artscouncilmalta.gov.mt/pages/guidance-advice/acm-publications/strategy-2025/>.

¹⁶³ Malta Ministry for National Heritage, the Arts and Local Government (2021). National Cultural Policy 2021, p.40.

¹⁶⁴ PwC. Esports – an emerging industry in Malta. [Esports - an emerging industry in Malta \(pwc.com\)](https://www.pwc.com/mx/esports).

free-standing structures in the world, such as the Megalithic Temples of Malta, and a significant legacy from the Knights of Malta. Valletta, the capital city, has been listed as a UNESCO world heritage site since 1980 and been described by UNESCO as “one of the most concentrated historic areas in the world”.¹⁶⁵ In 2018 Valletta held the title of European Capital of Culture and since 2019. The Valletta Cultural Agency (VCA) manages the initiative’s lasting impact and legacy.

II. Presentation of key market data on the CCS

The most important CCS in Malta, in terms of economic weight and employment, is by far the Audiovisual & Multimedia subsector, which generated EUR 635 million of GVA and employed 7,464 people in 2020. This is in accordance with Malta’s aim to become a major actor in the e-sports sector and organised competitive video gaming. This objective is reflected in policymaking and legislation through the introduction of favourable tax incentives for gaming enterprises, the provision of startup funding opportunities for e-sports ventures, the establishment of state-of-the-art e-sports facilities and arenas, the development of high-speed internet infrastructure to support online gaming, the facilitation of international e-sports tournaments and events through streamlined visa processes, and the implementation of robust player protection regulations to ensure fair and safe competition.

GVA, number of enterprises and persons employed in 2020 in Malta						
CCS subsector	GVA at factor cost		Number of enterprises		Number of persons employed	
	EUR million	Share in non-financial business economy	Number	Share in non-financial business economy	Number	Share in non-financial business economy
Architecture	53	0.77%	477	1.54%	1,463	0.87%
Audiovisual & Multimedia	635	9.34%	1,081	3.49%	7,464	4.45%
Books & Press	116	1.70%	538	1.74%	2,809	1.67%
Heritage, Archives & Libraries*	-	-	55	0.18%	200	0.12%
Performing Arts	78	1.15%	1,403	4.53%	2,115	1.26%
Visual Arts	36	0.54%	758	2.45%	1,835	1.09%
Other CCS activities	21	0.31%	379	1.22%	1,317	0.79%
Total CCS	939	13.81%	4,691	15.16%	17,203	10.26%

Source: Eurostat (*GVA does not include data for Heritage, Archives and Libraries)

The Audiovisual & Multimedia subsector is followed by the Books & Press subsector (EUR 116 million of GVA and 2,809 people) and the Performing Arts subsector (EUR 78 million of GVA and 2,115 people). The Books & Press subsector has the highest number of enterprises among all CCS at 1,403, before the Audiovisual & Multimedia subsector and the Visual Arts subsector.

¹⁶⁵ UNESCO. City of Valletta. <https://whc.unesco.org/en/list/131/#:~:text=Valletta's%20320%20monuments%2C%20all%20within,historic%20areas%20in%20the%20world>.

III. Main financing sources for the CCS

Government funding is the primary source of financing for Malta's CCS. This includes both direct expenditures and transfers to agencies such as the Malta Film Commission, National Book Council, and Malta Crafts Foundation. While historically there were no regional or local funding opportunities available, Arts Council Malta launched Regional Cultural Strategies for 6 regions in 2022, showcasing its aspiration to develop informed region-specific objectives and priorities.¹⁶⁶ Local councils can also allocate a portion of their annual funding to the CCS based on their specific year-plan.

● Direct Public support – Subsidies/Direct expenditure in CCS

In 2021, government expenditure on the CCS amounted to EUR 128 million, accounting for 0.9% of the country's GDP.¹⁶⁷ This figure is higher than the EU average of 0.5%. Malta ranks fourth among European countries in terms of spending on the cultural sector, although it has the lowest spending on broadcasting and publishing services.

To support the CCS, Malta has established public investment programmes that offer a diverse range of funding opportunities for individuals and organisations at different stages of entry and development. Several public cultural organisations contribute to the cultural landscape in the country, including Festivals Malta, Kor Malta, Malta Philharmonic Orchestra, Mediterranean Conference Centre, MICAS, Pjazza Teatru Rjal, Spazju Kreattiv, Teatru Malta, Teatru Manoel, Valletta Cultural Agency, and ŻfinMalta.¹⁶⁸

● Indirect Public support – tax relief and social security measures

The Ministry for the National Heritage, the Arts and Local Government is responsible for formulating and implementing cultural policies and strategies (fiscal incentives, grants, awards, or scholarships) at the national level to foster the development of the CCS. Arts Council Malta, established in 2015, operates as an executive arm under the Ministry. It has been given new functions to advocate for the CCS and serve as a strategic leader and catalyst. The Council implements strategies, manages competitive funding programmes, and provides incentives to promote innovation and stimulate a creative ecosystem for the generation of contemporary creative content. These initiatives include international cultural exchange programmes, funding schemes for all CCS and targeted sectorial opportunities with a focus on creative businesses and innovation.

● Sponsorship/Donations

Private funding for the CCS in Malta is not extensively studied, making it difficult to estimate its size. Cultural organisations actively seek partnerships with private entities to enhance their financial resources, which often involve collaborations with private organisations for specific projects or initiatives. Several private foundations have been established by enterprises and entrepreneurs in recent years to support cultural and art projects. Notable examples include the Farsons Foundation (founded in 1995), the Alfred Mizzi Foundation (established in 2004), The Tumas Fenech Foundation for Education in Journalism (formed in 2000) and the Vodafone Foundation. Additionally, banks such as the Bank of Valletta, HSBC, APS, Banif and Mediterranean Bank play a significant role in private financing and remain consistent supporters of culture and the arts.¹⁶⁹

¹⁶⁶ Arts Council Malta (2022), Exploring the 6 Regional Cultural Strategies. <https://artscouncilmalta.gov.mt/blog/exploring-the-6-regional-cultural-strategies>.

¹⁶⁷ Eurostat (2023), *Government expenditure on cultural, broadcasting and publishing services*.

¹⁶⁸ Ministry For the National Heritage, the Arts and Local Government (2021), *National Cultural Policy 2021*.

¹⁶⁹ Compendium of Cultural Policies and Trends (2015), *Malta: 7. Financing and Support*.

MARKET FIGHE

— THE NETHERLANDS



IV. Specificity of the Netherlands market – context and introduction

The Dutch economy rebounded quickly after the pandemic, but rising inflation has started to impact growth negatively in 2023, resulting in a 0.3% decrease in real GDP compared to 2022. This has exacerbated existing challenges, including the need to transition to a net-zero economy, fiscal pressures due to an aging population and widespread labour shortages. Despite a reduction in economic activity, the job market remains tight, with historically low unemployment rates and a significant increase in wage growth. The wage growth increase, a gradual decline in inflation from high levels and expected government investments related to the green transition and expense, among other things, are expected to result in a modest improvement in real wages and GDP growth. This, in turn, should help prevent a further decline in consumer spending in the latter half of the year.¹⁷⁰

As of 2023, the Dutch CCS is characterised by a strong focus on the creative industries and shared cultural heritage.¹⁷¹ Notably, the CCS are one of the Netherlands' nine leading economic sectors ('topsectoren'), which include the Visual Arts and Heritage sectors, Media and Entertainment, and Creative Business Services (encompassing Communication, Design and Architecture). Within this landscape, Design, Video Games, Fashion and Architecture assume pivotal roles, making significant contributions to the Dutch market's vibrancy and diversity.¹⁷²

Over the last few years, the Netherlands has prioritised several policy areas, including internationalisation, participation, education, innovation, talent development, entrepreneurship and cultural heritage preservation under the CCS policy. The Ministry of Education, Culture, and Science's 2021-2024 priorities include fair pay for the sector, enhancing accessibility to culture, promoting collaboration between different levels of government and introducing cultural differentiation to cater to the diverse preferences of both society and the cultural sector.¹⁷³

To achieve some of these goals, the Ministry commissioned Kunsten '92, the representative organisation for the Arts, Culture and Heritage sector in the Netherlands, to collaborate with the cultural sector and develop the Labor Market Agenda for the CCS 2017-2023.¹⁷⁴ The Agenda contains recommendations and proposals for the Ministry, such as improving the position of freelance artists and other creative professionals, enhancing working conditions and strengthening sector-wide cooperation to enable social dialogue and respond to changes in the labour market.¹⁷⁵

170 OECD (2023), Netherlands Economic Snapshot. <https://www.oecd.org/economy/netherlands-economic-snapshot/>.

171 Ministerie van Buitenlandse Zaken (2022, July 13), *Priorities of the Netherlands' international cultural policy*. International Cultural Cooperation. <https://www.government.nl/topics/international-cultural-cooperation/international-cultural-policy/priorities-international-cultural-policy>.

172 <https://dutchindustry.org/13/>.

173 Compendium of Cultural Policies and Trends (2019), Country Profile The Netherlands. https://www.culturalpolicies.net/wp-content/uploads/pdf_full/the_netherlands/Full-country-profile_The-Netherlands.pdf.

174 "Arbeidsmarkt culturele en creatieve sector 2017-2023". <https://www.kunsten92.nl/wp-content/uploads/2017/11/Arbeidsmarktagenda-culturele-en-creatieve-sector-2017-2023.pdf>.

175 Compendium of Cultural Policies and Trends (2019), Country Profile The Netherlands. https://www.culturalpolicies.net/wp-content/uploads/pdf_full/the_netherlands/

V. Presentation of key market data on the CCS

While the CCS is an important sector for the Netherlands, it has suffered from the COVID-19 pandemic much more severely than the rest of the economy. In fact, while ranking among the world's top ten in creative goods and services exports, the Dutch CCS saw a significant decline in production value in 2021, with a 22% drop in value compared to the previous year due to the impact of the COVID-19 pandemic.¹⁷⁶

GVA, number of enterprises and of persons employed in 2020 in the Netherlands						
CCS subsector	GVA at factor cost		Number of enterprises		Number of persons employed	
	EUR million	Share of total in non-financial business economy	Number	Share of total in non-financial business economy	Number	Share of total in non-financial business economy
Architecture	883	0.22%	7,048	0.52%	14,869	0.25%
Audiovisual & Multimedia	351	0.09%	68,391	5.02%	181,580	3.04%
Books & Press	921	0.23%	17,500	1.28%	52,362	0.88%
Heritage, Archives & Libraries*	-	-	3,095	0.23%	24,494	0.41%
Performing Arts	1,495	0.37%	133,481	9.79%	187,245	3.14%
Visual Arts	1,106	0.28%	68,726	5.04%	64,570	1.08%
Other CCS activities	656	0.16%	18,004	1.32%	60,626	1.02%
Total CCS	5,412	1.4%	316,245	23.2%	585,746	9.8%

Source: Eurostat (*GVA does not include data for Heritage, Archives and Libraries)

The number of CCS jobs in 2020 was 585,746, equivalent to 9.8% of total employment in the Netherlands.¹⁷⁷ The Audiovisual & Multimedia subsector and the Performing Arts subsector represent the most important subsectors in terms of employment, with more than half of the CCS workforce active in these subsectors. The Performing Arts subsector, the Visual Arts (including design) subsector and the Architecture subsector are the three most significant subsectors in terms of GVA, reflecting the reputation of Dutch design and architecture.

In 2020, the total number of enterprises in the Netherlands was 316,245, with many businesses working within the Performing Arts subsector (42.2%). In recent years, growth in CCS enterprise number has outpaced job growth, resulting in a smaller average enterprise size. In the Dutch CCS,

Full-country-profile_The-Netherlands.pdf.

¹⁷⁶ *Creative Economy Outlook 2022*, (2022, October 7). UNCTAD. <https://unctad.org/publication/creative-economy-outlook-2022>.

¹⁷⁷ Rutten, P., Koops, O., & Visser, F. (2019), Monitor Creatieve Industrie 2019. Nederland Top-10 steden, creatieve bedrijven en beroepen. *ResearchGate*. https://www.researchgate.net/publication/346572399_Monitor_Creatieve_Industrie_2019_Nederland_Top-10_steden_creatieve_bedrijven_en_beroeppen.

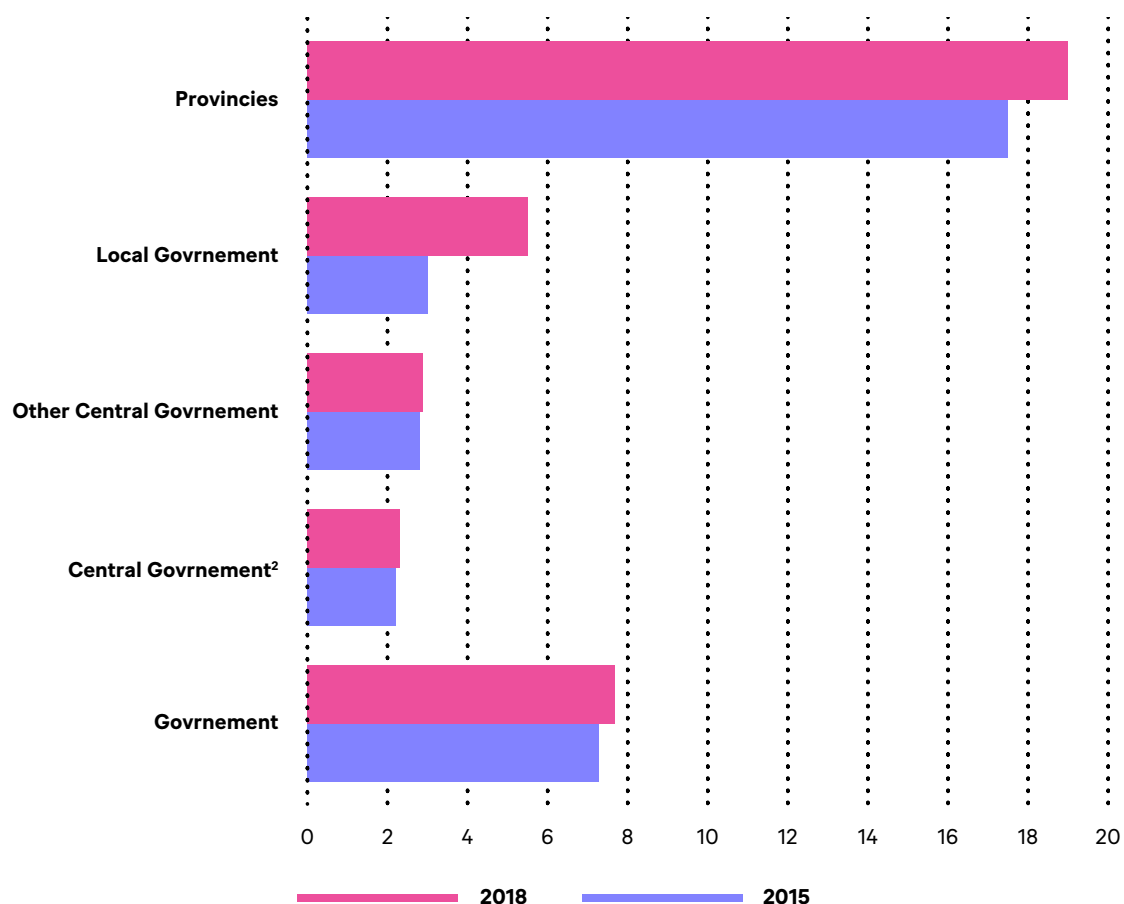
this phenomenon is evident as the share of creative enterprises in the overall economy totals 23.2%, compared to a 9.8% share for CCS employment within the overall economy. This very high proportion of enterprises reflects the growing share of freelancers in the CCS and in the Dutch economy: 49% of the active population in the Netherlands are independent workers in 2020 compared to 32% in 2010. This trend is a hallmark of the network economy, in which larger enterprises can more easily outsource certain functions thanks to digitalisation and freelancing, and hire capacity as needed.

VI. Main Financing Sources for the CCS

The Netherlands has a quite decentralised model to supporting the CCS, with most of the funding coming from municipalities and provinces.

● Direct Public support – Subsidies/Direct expenditure in CCS

In 2018, total public spending amounted to EUR 327.3 billion; EUR 4.8 billion or 1.5% of public spending was related to culture and media. In 2015, this share was 1.4%; from 2015 to 2018, government spending on culture and media increased slightly more than total government spending.¹⁷⁸



Source: Centraal Bureau voor de Statistiek, 2021

¹⁷⁸ Centraal Bureau voor de Statistiek (2021), Satellietrekening cultuur en media 2018. <https://www.cbs.nl/nl-nl/longread/rapportages/2021/satellietrekening-cultuur-en-media-2018/4-overheidsuitgaven-aan-cultuur-en-media>.

Household consumption of culture and media was EUR 12.3 billion in 2018, accounting for 3.6% of total household consumption (3.8% in 2015). Per household, this amounts to over EUR 1,500 in 2018. The main commodity groups within household consumption were publishing services, telecommunications services and audiovisual equipment.

Culture and media accounted for 2.2% of government consumption in 2018 (showing no increase from 2.2% in 2015). Nearly half of culture and media government consumption consisted of subsidised cultural education. Subsidised education is largely publicly funded and consumed by the government 'on behalf of' households.

There are several government-subsidised funds that support the CCS, including the Performing Arts Fund NL, Dutch Foundation for Literature, Mondriaan Fund (which focuses on Visual Arts and Cultural Heritage), Cultural Participation, Netherlands Film Fund, Creative Industries Fund NL, Co-production Fund National Public Broadcasting, and Dutch Journalism Fund. These funds issue calls for proposals and provide funding for cultural projects from all sectors of the CCS, including Media. They also support internationalisation and export projects.

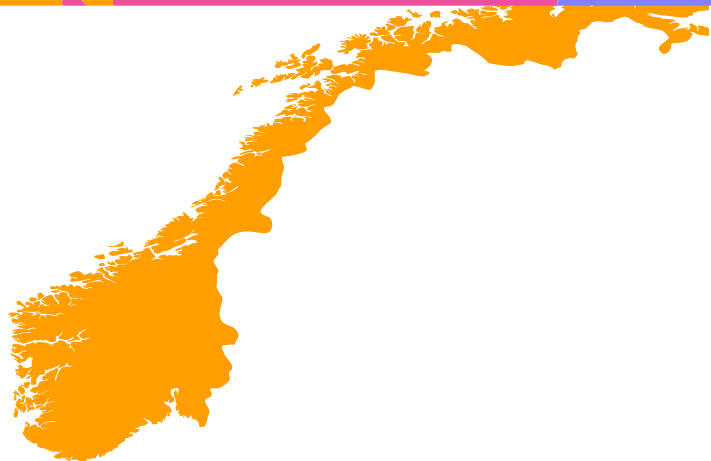
● Sponsorship/Donations

As it is clear, the CCS are vital to the Dutch government's agenda. However, the State refrains from making value judgments regarding art and culture, instead assuming a moderating role by setting broad policy orientations for cultural funding. As a result, the country has a rich tradition of private philanthropy and several private foundations play a role in supporting the arts. The VandenEnde Foundation, VSB Fonds, Prince Bernhard Cultural Foundation, Turing Foundation, Fund 21 and Buma Culture are just a few examples. By partnering with public and private entities, the CCS in the Netherlands enjoy a diverse and sustainable funding ecosystem, which is essential for fostering artistic creativity and promoting cultural exchange.¹⁷⁹

179 Compendium of Cultural Policies and Trends (2019), Country Profile The Netherlands. https://www.culturalpolicies.net/wp-content/uploads/pdf_full/the_netherlands/Full-country-profile_The-Netherlands.pdf.

MARKET FIGHE

— NORWAY



I. Specificity of the Norwegian market – context and introduction

The outlook for the Norwegian economy is moderately optimistic. Mainland GDP (GDP excluding oil and shipping) was 3.8% in 2022 and predicted to fall to 1.2% in 2023 before recovering a little in 2024 (with a forecast of 1.3%).¹⁸⁰ This is accompanied by a jump in core inflation from 3.6% in 2022 to 5.8% in 2023, with negative consequences for real incomes, housing sector investment and consumer demand. In 2023, fiscal policy has been mildly inflationary, increasing the challenge of bringing down inflation. Finally, Norway's current account balance remains high (at 23.9% in 2023), helped by high global energy prices.

Norway, famous for its landscapes and wildlife, has a rich natural, coastal and maritime heritage. The West Norwegian Fjords of Geirangerfjord and Nærøyfjord, outstanding examples of scenic beauty, are designated UNESCO World Heritage sites.¹⁸¹ Additionally, Norway has a tradition of craftsmanship, notably in fishing and water activities, which also forms part of its local cultural heritage, both tangible and intangible. Against this background, Norway has developed a framework for cultural environment policy and is committed to sustainable development and societal wellbeing, aims which are reflected in the Norwegian CCS.

While the concept of the CCS is relatively new in Norway, the government has recently emphasised the importance of supporting the sector, significantly increasing spending on culture. Notably, the previous government (2013-2021) promoted private partnerships and arts sponsorship, with initiatives aimed at stimulating private sector funding and developing talent, in cooperation with private sponsors. In 2015, the Ministry of Trade, Industry and Fisheries, and the Ministry of Culture launched a business policy council for the CCS to strengthen creative industries with commercial potential, support their digitalisation and foster innovation.¹⁸²

II. Presentation of key market data on the CCS

In 2020, the total turnover of the CCS was EUR 8.7 billion. Of the 2.7 million people employed in Norway, 84,978 were working in the CCS in 2020, representing more than 3% of the working population.

¹⁸⁰ OECD (2023), Norway Economic Outlook. <https://issuu.com/oecd.publishing/docs/norway-oecd-economic-outlook-june-2023?fr=sYmZhNzUwNTY2MTA>.

¹⁸¹ UNESCO, West Norwegian Fjords – Geirangerfjord and Nærøyfjord. <https://whc.unesco.org/en/list/1195>.

¹⁸² Government of Norway (2017), Industrial Policy Council for Cultural and Creative Industries in Norway (2015-2017). https://www.regjeringen.no/contentassets/8aeb67b6217d41b29b18b5584a87f61c/recommendations_industrial_policy_council_.pdf.

Turnover in the CCS in 2019 and 2020				Number of enterprises in 2020	Number of employees in 2020
CCS subsector	Turnover (EUR million) in 2019	Turnover (EUR million) in 2020	Change in turnover between 2019 and 2020 (%)		
Literature	921	972	5.5%	4,914	6,804
Digital and Printed News Medias	3,208	3,072	-4.2%	1,656	17,583
Video Games	29	31	-6.9%	27	213
Music	569	467	-17.9%	11,267	6,228
Film	832	821	-1.3%	3,496	5,946
Architecture	879	887	0.9%	2,063	6,898
Design	937	915	-2.3%	9,026	8,667
Performing Arts	128	86	-32.8%	2,485	4,039
Visual Arts	161	83	-48.4%	3,024	2,776
Other Art or Entertainment Activities	523	295	-43.6%	3,847	8,372
Management of Library, Archives, Museums and Other Cultural Institutions	114	48	-57.9%	528	8,938
Advertising and Event Management	1,050	949	-9.6%	3,063	6,300
Translation and Interpretation Services	93	94	1.1%	1,471	2,214
Total CCS	9,444	8,720	-7.7%	46,867	84,978

Source: Statistics Norway. Kulturstatistikk 2021

In 2020, the largest employers within the CCS were the News Media (digital and paper) subsector and the Design subsector, which accounted for more than 20% and 10% of total employment in the CCS respectively.

Regarding the number of enterprises active in the CCS, the Music subsector and the Design subsector were by far the most significant in Norway, with 11,267 and 9,026 enterprises active in these subsectors respectively. Conversely, the Video Games subsector, although booming worldwide, amounted to just 27 enterprises totalling 213 employees and generated the smallest turnover among all subsectors, with EUR 31 million in 2020.

Norwegian CCS mapping uses turnover as the main economic performance indicator, rather than value added. Analysis of Norwegian CCS between 2019 and 2020 reveals a significant downturn in turnover, primarily attributed to the adverse impact of the COVID-19 pandemic on the industry.

The Cultural Management subsector was the most impacted; turnover shrank by more than half. The Visual Arts subsector and the Performing Arts subsector similarly experienced decreases in turnover of 48.4% and 32.8% respectively. Meanwhile the Literature subsector recorded a 5.5% increase, while the Translation and Interpretation Services subsector and the Architecture subsector experienced minor but positive growth. For comparability purposes, Eurostat data gives CCS GVA as 3.8% of total Norwegian value added in 2020 (not including the Heritage, Archives and Libraries subsector). This equated to EUR 6,310 million.

The Digital and Printed News Media subsector, along with the Literature subsector and the Advertising and Event Management subsector, contributed the most to the economy, boasting substantial turnovers of approximately EUR 3 billion and EUR 972 million and EUR 949 million respectively.

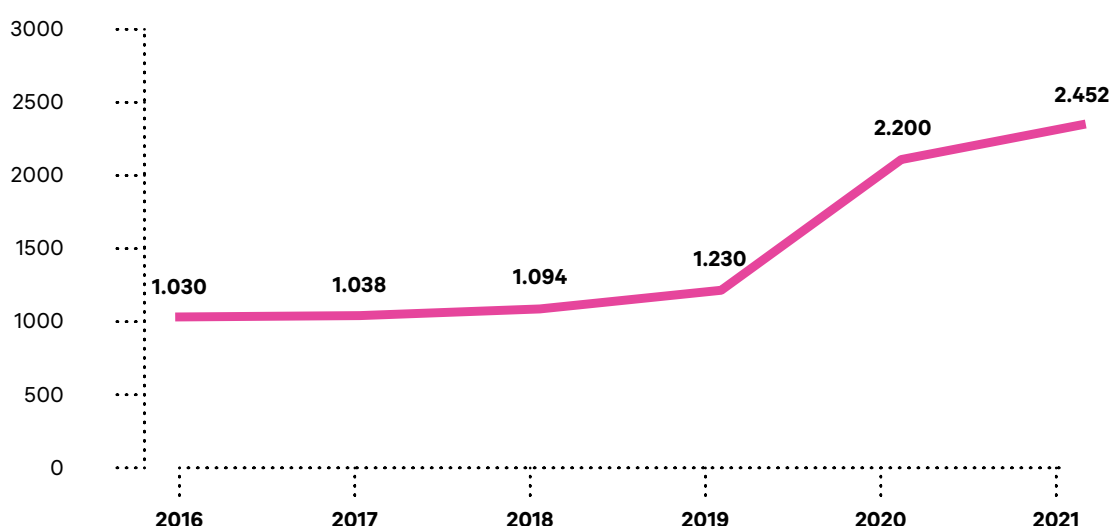
III. Main financing sources for the CCS

While public authorities have traditionally assumed significant responsibility for cultural funding in Norway, recent attention has focused on the potential of private entities, with the Ministry of Culture acknowledging their increasing participation in financing culture.

● Direct Public support – Subsidies/Direct expenditure in CCS

In Norway, cultural expenditure is primarily concentrated at the national and municipal levels while the regional level contributes less.¹⁸³ In 2021, the Ministry of Culture and Equality spent EUR 2.45 billion on culture, EUR 256 million more than in 2020. County authorities and local authorities spent EUR 180 million and EUR 1.49 billion respectively on culture.¹⁸⁴

Evolution of the expenditure from the Ministry of Culture and Equality between 2016 and 2021



Source: Statistics Norway. Kulturstatistikk 2021

183 Compendium of Cultural Policy and Trends (2016), Norway. https://www.culturalpolicies.net/wp-content/uploads/pdf_full/norway/norway_102016.pdf.

184 Statistics Norway (2022), Kulturstatistikk 2021 (Culture Statistics). <https://www.ssb.no/en/kultur-og-fritid/kultur/artikler/culture-statistics-2021>.

The Ministry of Culture and Equality budget allocated to cultural agencies has been steadily increasing in recent years, more than doubling between 2016 and 2021. A sharp increase in 2020 and 2021 corresponds to policy responses to the COVID-19 pandemic.

Working alongside the Ministry of Culture and Equality, Arts and Culture Norway (previously known as Arts Council Norway) advises government on cultural policy and organises cultural policy implementation. In 2023, Arts and Culture Norway is set to handle approximately EUR 190 million in government funds dedicated to arts and culture. This amount constitutes around 9% of the overall national cultural budget.¹⁸⁵ Examples of funding opportunities available through Arts and Culture Norway include funding programmes for museum development, spanning 2021 to 2023 and focusing on digital development, the role of museums in society and research within museums.

Public support includes government grants for individual artists, with specific grants for young, established and senior artists. The generosity of grants is notable. The work grant for professional artists living and working in Norway amounts to approximately EUR 40,250 a year (2023 figures).¹⁸⁶ The Norwegian Cultural Fund also allocates resources to project-based initiatives, compensation and tax schemes to ensure that artists are fairly remunerated for public use of their work. For instance, the Exhibition Remuneration Agreement includes compensation for public displays of visual art, photographic art and handicrafts.¹⁸⁷ Public funds also support the CCS via grants to art institutions such as theatres, symphony orchestras and the National Opera (which receive a considerable portion of their income from public grants), grants to dissemination institutions and additional schemes aimed at expanding the market for artistic and cultural goods and services, such as the purchasing scheme for new Norwegian literature.

● Financing Available (public and private)

Crowdfunding is on the rise in Norway;¹⁸⁸ the volume of crowdfunding more than doubled between 2019 and 2020.¹⁸⁹ Important platforms for cultural crowdfunding include Kickstarter and Bidra.

● Sponsorship/Donations

Private foundations that contribute to cultural funding include the DnB NOR Savings Bank Foundation, which possesses a Fine Art and musical instruments collection displayed in museums all over Norway, and The Freedom of Expression Foundation (Frittord) which provides funding through grants, prizes and awards to cultural organisations.¹⁹⁰

185 Arts and Culture Norway (2023), A short guide to Arts and Culture Norway. <https://www.kulturradet.no/english/vis/-/arts-council-norway-main>.

186 Kulturdirektoratet (reviewed 2023), Government Grants for Artists. <https://kulturdirektoratet.no/web/guest/english/vis/-/government-grants-for-artists>.

187 [Regjeringen.no](https://www.regjeringen.no/no/tema/kultur-idrett-og-frivillighet/visuell-kunst/innsiktsartikler/det-visuelle-kunstheltet/utstillingsvederlag-/id709552/) (reviewed 2022), Utstillingsvederlag - avtale mellom staten og kunstnerorganisasjonene (Exhibition Remuneration - Agreement between the State and artist organisations). <https://www.regjeringen.no/no/tema/kultur-idrett-og-frivillighet/visuell-kunst/innsiktsartikler/det-visuelle-kunstheltet/utstillingsvederlag-/id709552/>.

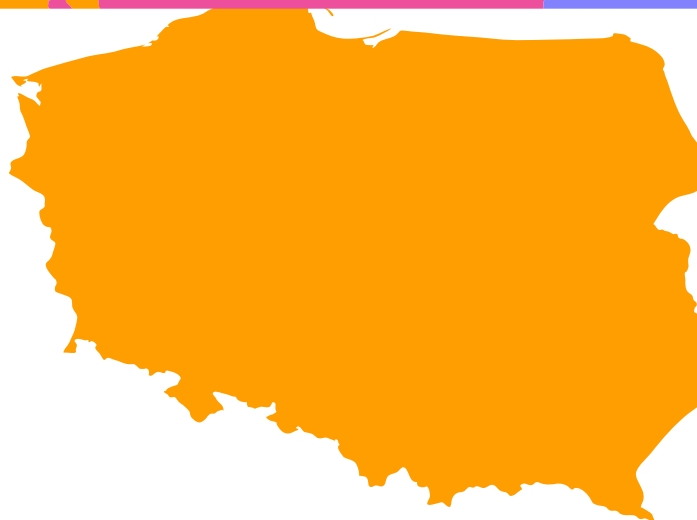
188 CrowdfundingHub (2021), Current State of Crowdfunding in Europe. <https://www.crowdfundinghub.eu/norway-current-state-of-crowdfunding-2021/>.

189 Alice Demattos Guimarães & Natalia Maehle (2022), Evolution, trends, and narratives of cultural crowdfunding: the case of Norway, *International Journal of Cultural Policy*. <https://www.tandfonline.com/doi/full/10.1080/10286632.2022.2152446>.

190 Compendium of Cultural Policy and Trends (2016), Norway. https://www.culturalpolicies.net/wp-content/uploads/pdf_full/norway/norway_102016.pdf.

MARKET FICHE

— POLAND



I. Specificity of the Polish market – context and introduction

In 2022, the Polish economy experienced strong growth, primarily driven by increased private consumption. However, the economy faced challenges towards the end of the year due to high inflation, stricter financing conditions and declining confidence among consumers and businesses. These negative factors are expected to continue impacting GDP growth in the foreseeable future. Despite fast-growing wages and a stable unemployment rate, private consumption is anticipated to decrease moderately in 2023 as the initial boost from the influx of people fleeing Ukraine gradually diminishes, while rising inflation adversely affects real incomes. Moreover, the ongoing increase in interest rates is likely to dampen private consumption, especially considering the significant number of mortgages with variable interest rates. All in all, projected GDP growth for 2022 has been raised to 4.9%, exceeding the previous forecast in the Autumn by 0.9%.¹⁹¹ After joining the EU in 2004, Poland was one of the largest exporters of labour within the EU. Immigration to Poland has been steadily increasing.¹⁹² Highly educated Polish individuals are coming back to their home country, reversing the brain drain phenomenon.¹⁹³

Over the past few years, the CCS have garnered significant attention from the Ministry of Culture and National Heritage, which in 2022 established a dedicated support programme with a Centre for the Development of Creative Industries. The Centre brands itself as “a cultural institution whose primary goal is to support and promote the activities of Polish creative industries on an unprecedented scale in Poland. The Centre focuses on supporting the Polish gaming industry, film, music, fine arts and applied arts in its endeavours.”¹⁹⁴

II. Presentation of key market data on the CCS

The Audiovisual & Multimedia subsector and the Books & Press subsector represent the most important subsectors in terms of GVA and employment, with more than half of the CCS workforce active in these subsectors. The Audiovisual & Multimedia subsector alone amounts to around 60% of the total CCS GVA, underlining the economic performance of Polish films and Video Games. The Visual Arts subsector is also significant in terms of number of enterprises and is composed mainly of micro-enterprises, employing on average fewer than two people.

191 European Commission, Economic forecast for Poland 2023. https://economy-finance.ec.europa.eu/economic-surveillance-eu-economies/poland/economic-forecast-poland_en.

192 The Central Statistical Office Poland, *The main directions of emigration and immigration for permanent residence in the years 1966-2021*. <https://stat.gov.pl/obszary-tematyczne/ludnosc/migracje-zagraniczne-ludnosci/glowne-kierunki-emigracji-i-imigracji-na-pobyt-staly-w-latach-1966-2021,4,2.html>.

193 James Jackson, *Poland's reverse brain drain: Meet the Poles returning home to work in its booming tech sector*, Euronews, 2023. <https://www.euronews.com/next/2023/02/03/polands-reverse-brain-drain-meet-the-poles-returning-home-to-work-in-its-booming-tech-sect>.

194 The Ministry of Culture and Cultural Heritage, Centre for the Development of Creative Industries, 2022, <https://crpk.pl>.

GVA, number of enterprises and of persons employed in 2020 in Poland

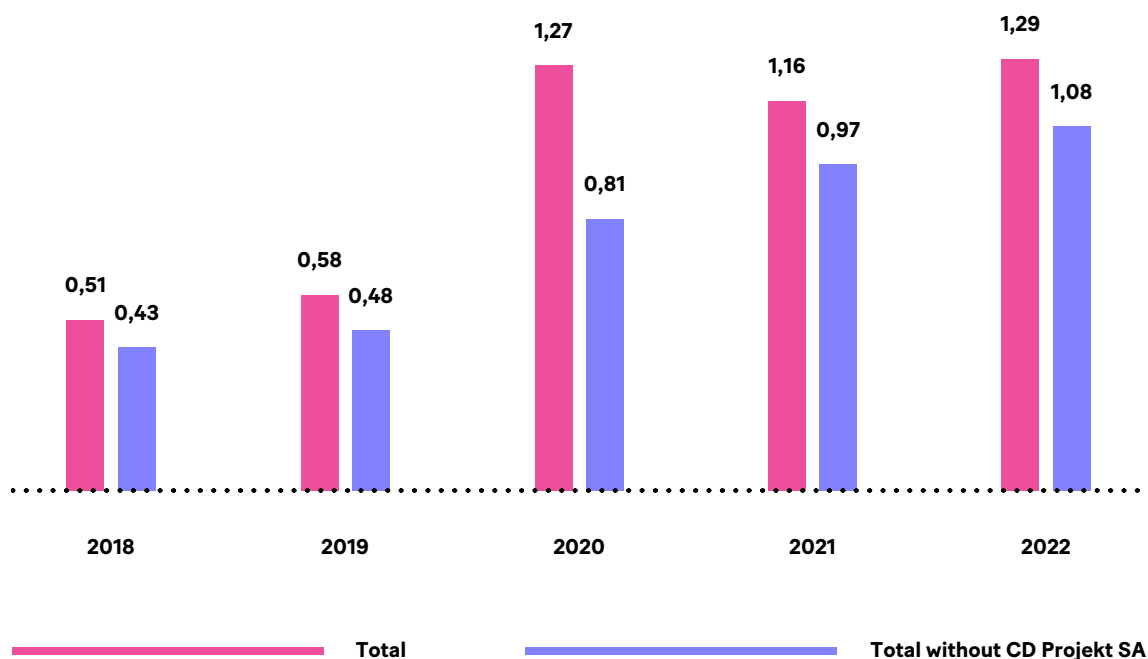
CCS subsector	GVA at factor cost		Number of enterprises		Number of persons employed	
	EUR million	Share in non-financial business economy	Number	Share in non-financial business economy	Number	Share in non-financial business economy
Architecture	594	0.22%	22,773	1.10%	40,144	0.40%
Audiovisual & Multimedia	8,682	3.16%	94,152	4.56%	246,012	2.46%
Books & Press	2,028	0.74%	25,721	1.24%	92,521	0.93%
Heritage, Archives & Libraries	N/A	N/A	N/A	N/A	N/A	N/A
Performing Arts	1,327	0.48%	20,380	0.99%	56,866	0.57%
Visual Arts	1,005	0.37%	39,720	1.92%	69,085	0.69%
Other CCS activities	525	0.19%	12,887	0.62%	34,118	0.34%
Total CCS	14,161	5.2%	215,633	10.4%	538,746	5.4%

Source: Eurostat

The Video Games industry deserves a separate mention. In early April 2020, CD Projekt (Polish publisher and producer of computer games since 1994 and creator of, among other things, the "The Witcher" series and "Cyberpunk 2077") became the most valuable enterprise on the Polish stock exchange. With a market value of over EUR 5.76 billion (PLN 27 billion), it surpassed enterprises such as PKN Orlen (oil) and PKO BP (finance). Other than CD Projekt, globally recognised game developers include 11bit studios, Ten Square Games, PlayWay, CI Games, and Techland. In March 2019, a separate index called WIG.GAMES was created for the largest gaming enterprises listed on the Warsaw Stock Exchange (GPW). Over the course of 11 months, its value nearly doubled. The downturn came only with the market decline caused by the COVID-19 pandemic. Gaming enterprises are also listed on the NewConnect market (run by the Warsaw Stock Exchange alternative stock exchange allowing smaller enterprises to float shares), and their market value often exceeds their book value.¹⁹⁵

195 Polish Economic Institute, The role of creative economy in Poland, 2020. https://pie.net.pl/wp-content/uploads/2020/07/PIE-Raport_Gospodarka_kreatywna.pdf.

Revenues of game developers and publishers from Poland (billion EUR)



Source: Game Industry Conference (2023)

Revenues of game developers and publishers (see the chart above) indicate steady year-on-year growth with a temporary decline in 2021, attributed to the COVID-19 pandemic and related stagnation.¹⁹⁶

III. Main financing sources for the CCS

Overall, support to the CCS is mainly channelled at local and regional level and is below the European average for cultural expenditures.

● Direct Public support – Subsidies/Direct expenditure in CCS

In 2019, Poland's public expenditure on culture and national heritage preservation amounted to 0.52% of the GDP, maintaining a similar percentage as the preceding consecutive years, 2017 and 2018.¹⁹⁷ Although the share of the total state budget allocated to culture and national heritage protection declined from 0.89% in 2017 to 0.59% in 2018, there was a slight increase in 2019 to 0.61%. Local government entities' expenditure on culture and cultural heritage increased from 2.84% to 3.33% relative to their total expenditure. In 2019, the total public expenditure on culture and national heritage reached approximately EUR 2,544 million (PLN 11,918 million). A significant portion (80%) of financial support for cultural initiatives was contributed by local administrations, amounting to EUR 2,036 million (PLN 9,538 million). The remaining 20% was allocated from the State.¹⁹⁸

¹⁹⁶ Polish Agency for Enterprise Development, *The game industry of Poland – report 2023*, 2023. https://en.parp.gov.pl/storage/publications/pdf/The_Game_Industry_Poland_2023_12_07.pdf.

¹⁹⁷ Most of the data presented in this section is based on information collected in the Compendium of Cultural Policies and Trends framework (last updated in 2020) with the author's updates as of June 2023.

¹⁹⁸ Compendium of Cultural Policies and Trends, *Financing and Support. Poland*, 2020. <https://www.culturalpolicies.net/database/search-by-country/country-profile/category/?id=30&g1=7>.

Support takes the form of direct financial subsidies from the Ministry of Culture and Cultural Heritage (the annual pool is up to around EUR 1.7 million with up to around EUR 87,000 per project, capacity-building, promotion, space provision and consulting).¹⁹⁹

● Indirect Public support – social security measures

The comprehensive framework of public assistance for cultural institutions and events, coupled with various incentives for private sector involvement, greatly contributes to providing indirect support for creativity. Although some support programmes exist for individual artists, such as publicly funded awards, direct support tailored to creative artists remains relatively scarce. The precarity of artists is set to be addressed in the foreseeable future: in 2022, an updated draft of the Professional Artists Act (the first draft was published in 2017) was published. The law aims to improve the working conditions for artists and ensure a minimum level of social security for those who earn the least by providing access to social and health insurance.²⁰⁰ Every year, the Ministry of Culture and Cultural Heritage publishes calls to support industries, individuals and areas that either require assistance (for example during the COVID-19 pandemic) or the support of which is aligned with current strategic objectives of the public funds' distribution.

● Financing available (public and private)

The recent emergence of crowdfunding platforms supplements public financing. Due to the specificity of the industry, obtaining financial resources is different for private Audiovisual media with advertisements, SMS-generated revenue and viewer donations (in the case of religious stations) being among the most common sources of income.²⁰¹

● Sponsorship/Donations

Apart from public sources, the CCS in Poland benefit from private investment. Sponsorship, patronage and CSR are the three most common methods through which entrepreneurs and private individuals can support culture.

199 The Ministry of Culture and Cultural Heritage, Centre for the Development of Creative Industries, 2022. <https://crpk.pl>.

200 The Ministry of Culture and Cultural Heritage, *The Professional Artists Act is entering the next stage of legislative work*, 2022. <https://www.gov.pl/web/kultura/artysta-zawodowy>.

201 Compendium of Cultural Policies and Trends, *Financing and Support. Poland*, 2020. <https://www.culturalpolicies.net/database/search-by-country/country-profile/category/?id=30&g1=7>.

MARKET FICHE

— PORTUGAL



I. Specificity of the Portuguese market – context and introduction

After a strong recovery at the start of 2023, Portugal's economic growth is expected to suffer a temporary slowdown in the second quarter before regaining momentum, largely attributed to a rise in tourism. In the first quarter of 2023, GDP growth reached 1.6%, significantly surpassing previous quarterly rates. However, weak domestic demand persists, primarily due to the constraints on private consumption from declining household purchasing power and higher interest rates affecting investors. Notably, the external sector, bolstered by global supply chain recovery and a substantial increase in tourism visits, particularly from North America, emerged as the primary driver of growth in the first quarter of 2023. Despite challenges, the general government deficit is projected to narrow to 0.1% of GDP in 2023, with stability expected in 2024. This positive outlook is supported by dynamic government revenue growth led by tax revenue, driven by elevated prices. Government expenditure is also set to expand, with particular focus on social benefits and the public wage bill. Furthermore, public investment is forecast to surge in 2023 and 2024, driven by the implementation of the National Recovery and Resilience Plan, and other EU-funded programmes.²⁰²

Portugal has a dynamic creative scene and rich cultural heritage, including UNESCO World Heritage sites such as the cultural landscape of Sintra or the historical centre of Evora. Creative hubs have sprung up across Portugal's big cities, including LX Factory in Lisbon, CRU in Porto or gnrnation in Braga, which also boasts the designation of UNESCO Creative City for Media Arts.

Cultural policy in Portugal falls under the jurisdiction of the Ministry of Culture and primarily adheres to a centralised model. Within the category of 'peripheral services directly overseen by the State', there are five Regional Culture Directorates, namely North, Centre, Lisbon and Tagus Valley, Alentejo, and Algarve. Their objective is to extend the Ministry's responsibilities more broadly, and in conjunction with the primary departments of the Ministry, the Regional Culture Directorates are tasked with ensuring public access to cultural resources, monitoring the activities of cultural producers funded by the Ministry of Culture and supervising heritage conservation measures (Regulatory Decree 34/2007 dated 29 March 2007). Importantly, these Regional Culture Directorates maintain administrative autonomy.

II. Presentation of key market data on the CCS

Based on the latest edition of the Culture Satellite Account (CSA) for the years 2018-2020, the CCS accounted for 2.4% (EUR 4.1 billion) of GVA in the overall economy in 2020.²⁰³

202 European Commission, Economic Forecast for Portugal, 2023. https://economy-finance.ec.europa.eu/economic-surveillance-eu-economies/portugal/economic-forecast-portugal_en.

203 <https://www.culturaportugal.gov.pt/saber/2022/10/conta-satelite-da-cultura-2018-2020/>.

GVA, number of enterprises and of persons employed in 2020 in Portugal

CCS subsector	GVA at factor cost		Number of enterprises	Number of persons employed	
	EUR million	Share of total economy	Number	Number	Share of total economy
Heritage	187	0.1%	1,028	6,102	0.1%
Archives	45	0.0%	68	1,226	0.0%
Libraries	81	0.0%	45	2,779	0.1%
Books & Press	792	0.4%	9,308	26,439	0.6%
Visual Arts	225	0.1%	10,617	10,362	0.2%
Performing Arts	388	0.2%	25,076	16,985	0.4%
Audiovisual & Multimedia	1,038	0.6%	4,689	16,644	0.4%
Architecture	204	0.1%	9,795	9,167	0.2%
Advertising	437	0.2%	5,150	13,831	0.3%
Inter-disciplinary	787	0.4%	14,874	30,101	0.6%
Total CCS	4,183	2.4%	80,650	133,636	2.8%

Source: INE: Conta Satélite da Cultura (CSC 2018-2020)

In 2020, the CCS were affected by the COVID-19 pandemic. According to data from the Integrated Business Accounts System (SCIE), there were 64,559 enterprises in the CCS (1.5% fewer than the previous year) who generated a turnover of EUR 5.9 billion (a decrease of 15.6%), representing 1.6% of the total turnover of the non-financial business sector.

However, the CCS experienced a recovery in 2021, with turnover reaching EUR 6.7 billion, marking a 14.1% increase compared to 2020. The activities that experienced the greatest growth were Advertising Agencies (EUR 127 million), Film, Video and Television Programme Production (EUR 110.1 million), Other Printing (EUR 85 million), Television Activities (EUR 77 million), Performing Arts Activities (EUR 77 million) and Design Activities (EUR 66 million). On the other hand, Book Publishing (EUR 17 million), News Agency Activities (EUR 687,600) and Videotape and Disc Rental (EUR 258,000) witnessed a decline in turnover compared to 2020.²⁰⁴

Regarding the geographical distribution of CCS enterprises, more than 42% are situated in the metropolitan area of Lisbon (27,409 out of a total of 64,559 enterprises). On the other hand, the Azores is the region with the lowest number of enterprises, at 1,154, less than 1.8%.

204 Instituto Nacional de Estatística - Estatísticas da Cultura: 2021. Lisboa: INE, 2022. https://www.ine.pt/xportal/xmain?xpid=INE&xpgid=ine_publicacoes&PUBLICACOES-pub_boui=18212178&PUBLICACOESmodo=2.

III. Financing sources for the CCS

CCS financing in Portugal has usually followed a mixed economic rationale, combining public funding with a market-driven approach for some subsectors, such as Audiovisual.

● Direct Public support – Subsidies/Direct expenditure in CCS

Concerning public funding, support for the arts and culture by the Portuguese Ministry of Culture will experience a significant increase of 114% for the period of 2023-2026 compared to the previous period, reaching a total of EUR 148 million.²⁰⁵ At local level, expenses incurred by Municipal Councils for cultural and creative activities amounted to EUR 491 million in 2021, representing a 4.5% increase compared to the previous year.²⁰⁶

● Indirect Public support – tax relief

Despite not yet having a large market share at European level, Portugal has one of the most competitive financial incentive systems in Europe known as the Incentive for Cinematographic and Audiovisual Production, which sits under the Tourism and Cinema Support Fund created in 2018.²⁰⁷

Indeed, the most significant tax incentive in Portugal applies to the Film and Audiovisual subsectors. The incentive for film recording and production is applicable to film, audiovisual and video-on-demand (VOD) productions, both national and foreign (executive/services) as well as official and de facto co-productions. To qualify, these productions must have a minimum expenditure of EUR 500,000 for fiction or animation projects and EUR 250,000 for documentary or post-production projects in Portugal.²⁰⁸ The support rate of 25%, which can potentially be increased to 30%, applies to eligible expenditure. The specific percentage is determined through a 'Cultural Test' included in the applicable Regulation.²⁰⁹

● Sponsorship/Donations

The current Portuguese tax regime for patronage, established under the tax benefits statute (Decree-Law n.º 215/89 of 7 July) includes a mention of "*Cultural patronage*".²¹⁰ The legislation covers a broad spectrum of recipients for donations, including governmental bodies, autonomous regions, municipalities, public or private foundations, cultural cooperatives, cultural centres and other non-profit organisations engaged in cultural activities. The tax benefits foreseen are applicable to entities that are engaged as their primary activity in cultural activities. Theatre, opera, ballet, music, cinema, dancing, performing arts, visual arts and festival organisation are eligible, as well as other forms of artistic expression, film, and audiovisual, cinematographic and literary productions.

Furthermore, in Portugal, philanthropic entities are exempt from Value Added Tax (VAT) when it comes to goods and services associated with sports, arts and culture. This exemption encompasses a broad range of activities, including artistic performances, sports events, recreational activities, physical education programmes and cultural initiatives.²¹¹

205 <https://www.portugal.gov.pt/pt/gc23/comunicacao/noticia?i=programa-de-apoio-sustentado-as-artes-2023-26-com-aumento-de-verba-de-114->.

206 Instituto Nacional de Estatística - Estatísticas da Cultura: 2021. Lisboa: INE, 2022.

207 Established by Decree-Law n.º 45/2018, of 19 June and whose Regulation is set out in Annex I to Ordinance n.º 490/2018, of 28 September, amended by Ordinance n.º 198/2019, of 27 June and by Ordinance n.º 159-A/2023, dated April 3, 2023.

208 <https://portugalfilmcommission.com/en/pic-portugal/incentive-to-film-recording-and-production/>.

209 Annex I to Ordinance n.º 490/2018, of 28 September, amended by Ordinance n.º 198/2019, of 27 June and by Ordinance n.º 159-A/2023, dated April 3, 2023.

210 <https://eportugal.gov.pt/servicos/mecenato-cultural>.

211 OECD, 2020. Taxation and philanthropy.

Significant players in the nonprofit cultural sector continue to actively participate in the cultural landscape, with notable entities like the Gulbenkian Foundation, the Serralves Foundation and the Luso-American Foundation playing pivotal roles, followed by the Arpad Szènes-Vieira da Silva Foundation, the Centro Cultural de Belém Foundation, the Museu do Douro Foundation and the Contemporary and Modern Art Foundation – Berardo Collection. While established with substantial private capital, these foundations also receive support from the State, covering a specified portion of operational costs. The geographical distribution of cultural foundations reflects the country's cultural map, as many nonprofit entities are based in Lisbon and Porto and prioritise internationalisation in their mission.

MARKET FIGHE

— ROMANIA



I. Specificity of the Romanian market – context and introduction

Romania joined the EU in 2007 but experienced GDP contraction until 2011 in the aftermath of the global financial crisis in 2008. From 2013 to 2017, Romania witnessed economic growth fuelled by robust industrial exports, strong agricultural harvests and expansionary fiscal policy. Export-led growth was primarily driven by trade with the EU, while domestic demand was stimulated by tax cuts and substantial wage increases.

The economic forecast for 2023 anticipates growth at a slower pace due to persistent inflation, tight financing and subdued growth in trading partners.²¹² Inflation is expected to remain high while unemployment is projected to marginally decline. The general government deficit is forecasted to fall to 4.4% in 2024, with a debt-to-GDP ratio of 46.1%. Despite headwinds, the economy remains resilient and investments, particularly those under the National Recovery and Resilience Plan, are set to support growth. However, sticky unemployment, wage pressures and high inflation remain challenging. The current account deficit poses external sustainability risks and the fiscal outlook has downside risks.

In recent years, the interest of Romanian policymakers in supporting the CCS has led to the creation of several sector-specific public institutions. These institutions aim to provide financial and technical assistance to their sector of competence and to integrate CCS development within national development plans. This interest by Romanian policymakers in the CCS is symbolised, among other things, by the establishment of the National Institute for Cultural Research and Training (INCFC), a research centre operating under the Ministry of Culture and focused on collecting and elaborating data on the national CCS. This partnership between the Ministry of Culture and INCFC has produced the 'Sectoral Strategy for Culture 2023-2030', a project aiming to ensure an integrated and coherent vision on the sustainable development of the national CCS. Together with the INCFC, several sectorial organisations offer funding opportunities and support schemes to the CCS; examples include the Romanian Film Center, ARTEXIM and the National Cultural Fund Administration.

II. Presentation of key market data on the CCS

Romania hosts a rapidly growing CCS which is becoming increasingly significant within the national economy. The total GVA created by the CCS was estimated at EUR 6 billion in 2020, compared to EUR 1.9 billion in 2010.²¹³ The importance of the CCS is not only growing in absolute terms but also in its contribution to national GVA, reaching 6% in 2020. In recent years, CCS growth has been particularly driven by the Audiovisual & Multimedia subsector, which accounts for 63% of the total CCS GVA in 2020 and registered a 246% increase in the 2008-2020 period.

²¹² European Commission, Economic Forecast for Romania 2023. https://economy-finance.ec.europa.eu/economic-surveillance-eu-economies/romania/economic-forecast-romania_en.

²¹³ The adopted conversion rates from Romanian Leu to EUR is the one in effect on 1st of January of the year the data refers to, according to InforEuro.

GVA, number of enterprises and of persons employed in 2020 in Romania

CCS subsector	GVA at factor cost		Number of enterprises		Number of persons employed	
	EUR million	Share in non-financial business economy	Number	Share in non-financial business economy	Number	Share in non-financial business economy
Architecture	232	0.28%	5,154	0.95%	12,381	0.31%
Audiovisual & Multimedia	4,246	5.18%	18,696	3.45%	121,193	3.04%
Books & Press	498	0.61%	6,592	1.22%	28,516	0.71%
Heritage, Archives & Libraries*	-	-	412	0.08%	2,107	0.05%
Performing Arts	386	0.47%	15,508	2.87%	34,934	0.88%
Visual Arts	315	0.38%	9,746	1.80%	22,494	0.56%
Other CCS activities	331	0.40%	4,109	0.76%	15,694	0.39%
Total CCS	6,008	7.3%	60,217	11.1%	237,319	5.9%

Source: Eurostat (*GVA does not include data for Heritage, Archives and Libraries)

Within the CCS, the Video Games and IT subsector accounted for 41.5% of the total turnover in 2018, followed by Advertising (14.8%).²¹⁴

CCS employment has grown moderately over the 2008-2020 period, registering a +9% increase. Looking at growth rates by subsector, the Audiovisual & Multimedia subsector, the Performing Arts subsector and the Architecture subsector registered significant increases (+98%, +24% and +23%, respectively) while subsectors such as the Books & Press subsector and the Visual Arts subsector registered severe decreases (-46% and -40%).

Regarding the number of active CCS enterprises, the industry registered a +42% increase from 2008 to 2020, mostly driven by the Performing Arts and Architecture subsectors (+289% and +144%, respectively), while subsectors like the Books & Press subsector and the Visual Arts subsector registered a slight decrease (-14% and -11%, respectively).

According to data collected by investRomania, in 2014 Bucharest's total CCS turnover amounted to 62.56% of the national CCS economy, followed by Cluj-Napoca (7.8%) and Timisoara (2.6%).

²¹⁴ The subsector includes the following NACE codes: 5821 Publishing of computer games, 5829 Other software publishing, 6201 Customer-oriented software development, 6202 Computer consultancy activities, 6311 Data processing, web hosting and related activities, 6312 Web portal activities.

III. Main financing sources for the CCS

The public authorities are the main provider of financial support for the CCS in Romania and new CCS support programmes have been developed over the past few years.

● Direct Public support – Subsidies/Direct expenditure in CCS

The total public cultural expenditure was EUR 170 million in 2021 (0.3% of GDP), with 81% coming from local governments.²¹⁵

Throughout the years, the Ministry of Culture has launched several programmes aimed at fostering the development of the CCS. For instance, the Ministry of Culture earmarked over EUR 33 million for RO-Cultura (2018), a programme that seeks to consolidate economic and social development via cultural cooperation, cultural entrepreneurship and the management of cultural heritage. Other key programmes include CultIn (2020), fostering cultural and creative entrepreneurship, and Acces, focusing on the promotion of contemporary culture and innovative approaches to cultural heritage.

● Sponsorship/Donations

According to the Compendium of Cultural Policies, the State is the main funding source for the CCS in Romania, which, combined with non-stimulating legislation on sponsorship and patronage, results in a poorly developed private funding system. Nonetheless, a mechanism of indirect support allows individuals to direct 2% of their income tax towards non-profit organisations.

MARKET FIGHE — SLOVAKIA



I. Specificity of the Slovakian market – context and introduction

The economic forecast for Slovakia is moderately optimistic. GDP growth in 2022 was modest due to weak exports and public consumption, although private consumption remained relatively strong. However, economic activity is anticipated to pick up speed in the latter half of 2023 as supply chain constraints are expected to ease. The economic prospects for Slovakia's key export markets are also likely to improve, which should boost demand for primary export goods, including automobiles.²¹⁶

The CCS in Slovakia are a vibrant and continuously expanding sector. In recent years, the industry has experienced steady growth. Slovak artists and creators, from video game developers such as Pixel Federation to film directors and writers, have gained international recognition.²¹⁷

The CCS are distinguished by a notable presence of small businesses, as well as the highest self-employment rate. CCS also require relatively low initial capital compared to other industries. Representing a distinct segment of economic activities, the creative economy operates within a unique business environment. Comparing fluctuations in the CCS versus the overall Slovak economy (2020) reveals that the outlook for the CCS in Slovakia relies primarily on the actions of its stakeholders and their capacity to adapt to prevailing economic and social trends worldwide including innovation, collaboration and effective internal organisation within the CCS. The State and public policies must provide support in this process.²¹⁸

The Slovak Republic has established centres for furthering cultural activity (theatre, music, galleries, monuments, museums, the audiovisual arts, public education and media) at the national level, while a network of regional cultural centres manage the CCS locally. This transition period arguably had negative consequences for Slovak cultural markets, as illustrated by the collapse of film production and atomisation of the book market. With the preparation of the EU accession process and the reform of Slovak institutions, Slovakia's cultural policy has been reformed, leading to the decentralisation of 152 cultural institutions, now allocated to regions.

II. Presentation of key market data on the CCS

According to Eurostat data, 40,622 Slovak enterprises in 2020 were active in the CCS, which provided 90,792 filled workplaces. The leading industries are the Audiovisual & Multimedia subsector, the Visual Arts subsector, the Performing Arts subsector and the Books & Press subsector.

²¹⁶ European Commission, 2023 Economic Forecast for Slovakia. https://economy-finance.ec.europa.eu/economic-surveillance-eu-economies/slovakia/economic-forecast-slovakia_en.

²¹⁷ KEA European Affairs (2020) Cultural Industries in Slovakia. Report on the AS-IS situation. https://www.culture.gov.sk/wp-content/uploads/2020/11/AS-IS_sprava.pdf.

²¹⁸ Daniela Rybarova (2020), Creative industry as a key creative component of the Slovak economy, SHS Web of Conferences 74. https://www.shs-conferences.org/articles/shsconf/pdf/2020/02/shsconf_glob2020_03009.pdf.

GVA, number of enterprises and of persons employed in 2020 in Slovakia

CCS subsector	GVA at factor cost		Number of enterprises		Number of persons employed	
	EUR million	Share in non-financial business economy	Number	Share in non-financial business economy	Number	Share in non-financial business economy
Architecture	115	0.28%	3,783	0.73%	5,403	0.34%
Audiovisual & Multimedia	1,025	2.49%	12,456	2.40%	29,846	1.86%
Books & Press	200	0.49%	5,501	1.06%	12,237	0.76%
Heritage, Archives & Libraries*	-	-	121	0.02%	329	0.02%
Performing Arts	292	0.71%	2,265	0.44%	5,202	0.32%
Visual Arts	303	0.74%	6,923	1.34%	19,561	1.22%
Other CCS activities	62	0.15%	9,573	1.85%	18,214	1.14%
Total CCS	1,997	4.85%	40,622	7.83%	90,792	5.66%

Source: Eurostat (*GVA does not include data for Heritage, Archives and Libraries)

The number of enterprises in CCS, as well as their contribution to the Slovak economy represented by GVA, are steadily increasing, with a slight decline in the number of enterprises in 2020 – the impact of the COVID-19 pandemic cannot be overlooked – despite GVA continuing to grow between 2019 and 2020.

	2015	2016	2017	2018	2019	2020
Number of enterprises	36,233	37,032	39,132	41,030	41,827	40,622
GVA, EUR million (and in % of the total economy)*	1,564 (4.6%)	1,598 (4.53%)	1,816 (4.79%)	1,842 (4.59%)	1,965 (4.72%)	1,997 (4.85%)

Source: Eurostat (* GVA does not include Heritage, Archives and Libraries)

III. Main financing sources for the CCS

Based on a strategic analysis of the CCS in Slovakia, key issues to address include access to finance and investment, awareness of the economic and social importance of the CCS, capacity of financial institutions to understand the CCS and tailored financial instruments for the CCS.²¹⁹

● Direct Public support – Subsidies/Direct expenditure in CCS

The Slovakian CCS rely on public support, as is the case for many other European countries. The total spending on culture in Slovakia in 2019 was EUR 623 million. The allocation of public funds for culture varies over time but generally averages around 1.71% of the overall public budget.

Most non-consolidated public expenditures on culture were distributed as follows: 41% to the Ministry of Culture, 21% to municipalities, 17% to Radio and Television of Slovakia and 11% to higher territorial units. In 2019, the Ministry of Culture spent EUR 351 million. The largest portion of this allocation, EUR 100 million, was dedicated to cultural heritage policy. The policy for supporting arts received EUR 73 million, while media and audiovisual policy obtained EUR 65 million. Church policy was allocated EUR 48 million and Ministry of Culture's general cultural policy amounted to EUR 44 million. The remaining EUR 21 million was used for the Ministry's operation.²²⁰

● Indirect Public support – tax relief

Public support also takes the form of incentives. For instance, the government offers a cash rebate of 33% on expenses spent on film or TV production in the Slovak Republic for the Audiovisual industry. Initiatives like these are, however, rare.

● Sponsorships/Donations

Lack of private investment and difficulty accessing finance are the most pressing issues facing the Slovak cultural sector, according to a survey led by KEA European Affairs.²²¹ Private investors do support cultural activities. The Pohoda music and arts Festival, an annual three-day event that welcomes around 30,000 festivalgoers daily, is partnered with telecoms giant Orange.²²² Nevertheless, private investment can be increased.

● Others

Slovakia is home to a rich array of NGOs, and among these, a variety of CCS-linked NGOs. For instance, CIKE (Creative Industry Košice) is an NGO aiming to improve life in Košice through culture and creativity. Among its various activities, CIKE offers mentoring and education, residences and business support for CCS individuals and groups.²²³ Another NGO, the National Trust of Slovakia, supports the conservation and valuing of heritage, whether places or objects. The National Trust of Slovakia organises exchanges, events, exhibitions and educational projects.²²⁴

219 KEA European Affairs, *Cultural Industries in Slovakia. Report on the AS-IS situation*, 2020. https://www.culture.gov.sk/wp-content/uploads/2020/11/AS-IS_sprava.pdf.

220 Ministry of Culture of the Slovak Republic and Ministry of Finance of the Slovak Republic, *Culture Spending Review. Final report*, 2020. https://www.mfsr.sk/files/archiv/57/Culturalspendingreview_FINAL_ENG.pdf.

221 KEA European Affairs, *Cultural Industries in Slovakia. Report on the AS-IS situation*, 2020. https://www.culture.gov.sk/wp-content/uploads/2020/11/AS-IS_sprava.pdf.

222 Ibid.

223 CIKE, What is CIKE. <https://www.cike.sk/en/what-is-cike/>.

224 Anna Lindh Foundation, The National Trust of Slovakia. <https://www.annalindhfoundation.org/members/national-trust-slovakia-head-network>.

MARKET FIGHE — SLOVENIA



I. Specificity of the Slovenian market – context and introduction

The Slovenian economy has been strong with a positive outlook. The country experienced a 5.4% expansion in GDP in 2022, benefiting from solid momentum carried over from the previous year and sustained growth in the first half of the year. Despite relatively high inflation predicted in 2023 (reaching 7% by the end of the year before dropping to 3.8% in 2024), there are expectations of wage growth of 7.7% in 2023 and 5.3% in 2024, which will contribute to partially recovering the decline in real wages. The prevailing factor in the labour market remains the persistent scarcity of available workers.²²⁵

The development of the CCS in Slovenia has undergone several changes over time, especially after the collapse of the former Yugoslavia in the 1990s and the creation of an independent democratic State. After Slovenia gained independence in 1991, a new legal framework was adopted in 1994 (Exercising of the Public Interest in Culture Act) to replace the previous cultural model. Since then, Slovenian cultural policy has been developed incrementally.²²⁶

Today, Slovenia has a well-developed network of cultural institutions, organisations and enterprises, comparable to the most developed European countries. In particular, the CCS are vital in Slovenia's regional development policies. The CCS are included in Slovenia's Smart Specialisation Strategy, even if to a relatively limited extent,²²⁷ and were also given an essential role in the regional development programme of the Ljubljana Urban Region 2014-2020.²²⁸

II. Presentation of key market data on the CCS

The CCS are an important industry in Slovenia, representing 4.8% of the country's GVA and 6.1% of total employment. According to a joint study by the Institute for Economic Research and the Centre for Creativity in Slovenia, the CCS surpassed the chemical industry and matched the electrical manufacturing industry regarding its contribution to country GDP in 2017.

225 European Commission (2023), Economic forecast for Slovenia 2023. https://economy-finance.ec.europa.eu/economic-surveillance-eu-economies/slovenia/economic-forecast-slovenia_en.

226 Compendium of Cultural Policies and Trends (2014), Cultural Policy System, Slovenia, 2014. <https://www.culturalpolicies.net/database/search-by-country/country-profile/category/?id=37&g1=1>.

227 European Commission, Smart Specialisation Platform. <https://s3platform.jrc.ec.europa.eu/governance-and-edp#:~:text=The%20case%20of%20the%20Slovenian%20Smart%20Specialisation%20Strategy,-The%20Smart%20specialisation&text=Thanks%20to%20its%20strategy%2C%20Slovenia,nine%20relative%20areas%20of%20application.>

228 RRA LUR, The Regional Development of the Ljubljana Urban Region 2014-2020. <https://rralur.si/wp-content/uploads/2020/04/RRP-LUR-2014-2020-english-version.pdf>.

GVA, number of enterprises and of persons employed in 2020 in Slovenia

CCS subsector	GVA at factor cost		Number of enterprises		Number of persons employed	
	EUR million	Share in non-financial business economy	Number	Share in non-financial business economy	Number	Share in non-financial business economy
Architecture	73	0.29%	2,138	1.42%	2,919	0.44%
Audiovisual & Multimedia	646	2.55%	6,470	4.31%	14,837	2.23%
Books & Press	236	0.93%	3,169	2.11%	7,717	1.16%
Heritage, Archives & Libraries*	-	-	110	0.07%	382	0.06%
Performing Arts	66	0.26%	6,822	4.54%	7,878	1.18%
Visual Arts	117	0.46%	3,338	2.22%	4,555	0.68%
Other CCS activities	88	0.35%	853	0.57%	2,527	0.38%
Total CCS	1,226	4.8%	22,900	15.2%	40,815	6.1%

Source: Eurostat (*GVA does not include data for Heritage, Archives and Libraries)

Regarding number of enterprises in 2020, the Performing Arts subsector followed by the Audiovisual & Multimedia subsector were Slovenia's most represented CCS subsectors. The Audiovisual & Multimedia subsector also produced the highest GVA that year (EUR 646 million), followed by the Books & Press subsector (EUR 236 million). Meanwhile, the Performing Arts subsector contribution was the lowest among the CCS, with EUR 66 million of GVA, despite having the highest number of enterprises in 2020 (30% of all CCS enterprises). This disparity may have its source in the economic model of the Performing Arts subsector, including ticket sales, sponsorship, grants and public funding, perhaps not propitious for maximising economic impact or GVA. All larger municipal cultural institutions (which are mostly theatres) are State financed.²²⁹ The performance of the Slovenian CCS regarding the number of enterprises, employees and GVA has been solid and steady, improving each year.

A 2021 publication by the Slovenian Statistical Office highlights how the COVID-19 pandemic impacted cultural activity, with 55% fewer staged events (encompassing film, video, theatre, music, lectures, literary evenings, exhibitions and other cultural events) and 37% fewer exhibitions in museums and galleries in 2020 compared to 2019. On average, each individual spent EUR 177 on cultural activities in 2020, compared to EUR 218 in 2019.²³⁰ Nevertheless, key indicators reveal that the CCS continued to grow regardless between 2019 and 2020. The number of enterprises grew by 1.47%, the number of employees by 0.71% and gross value added by 3.80%.

229 Compendium of Cultural Policies and Trends (2019), Slovenia 1.1. https://www.culturalpolicies.net/country_profile/slovenia-1-1/.

230 Republic of Slovenia Statistical Office (2021), This Merry Day of Culture. <https://www.stat.si/StatWeb/en/News/Index/9986>; <https://www.gov.si/en/news/2021-12-02-this-merry-day-of-culture-in-statistics/>.

Ljubljana is at the centre of the Slovenian cultural and creative scene. It is estimated that around 60% of all Slovenian cultural events, infrastructure and people working in culture are concentrated in the capital.²³¹ The city has a solid infrastructure and education ecosystem favouring the development of cultural associations and the CCS. Most national cultural institutions and organisations (such as the RCCE – Regional Creative Economy Centre) and all major facilities are in Ljubljana, as well as several bottom-up initiatives such as Poligon (one of the largest CCS co-working spaces in Europe) or Zavod Big.

III. Main financing sources for the CCS

In Slovenia, the public sector has been a major operator in the CCS, with a balanced approach between national and local funding. Private cultural financing was hard hit by the financial crisis in 2008.

● Direct Public support – Subsidies/Direct expenditure in CCS

In Slovenia, public cultural expenditure was 0.7% of GDP in 2023, equal to the 2018 value, although per capita spending rose by 26.32% to EUR 174.26.²³² Public intervention follows a system of co-financing by state- and local-level governing bodies without regional authority involvement. Starting with country-level financing, 90% of state-level expenditure is directed by the Ministry of Culture and channelled into public cultural institutions, agencies and funds, such as the Public Fund of the Republic of Slovenia for Cultural Activities, which works to connect actors within amateur culture, a unique strength of Slovenia.²³³ State-level expenditure also contributes to creation through scholarships, prizes, subsidies and grants, festivals and societies, IT investment and culture-sector welfare measures (such as retirement support or minimum social security). Meanwhile, local government is responsible for local-level activities and institutions such as museums, amateur activities and library activities. The balance between central- and local-level government expenditure has reversed in the past decade. Before, the State accounted for 55% of public cultural expenditure, the local level 45%. However, local level expenditure has grown in importance, reaching 51.48% in 2021, compared to 48.52% at central level. Overall, Performing Arts receive the greatest proportion of public cultural expenditure, at 40.58% of the total in 2021.

● Indirect support – Tax incentives

Slovenia encourages charitable donations by offering a reduction on taxable profits. Taxpayers donating to various purposes including cultural purposes can claim a tax reduction up to 1% of their taxable revenues. This rises to a 1.2% limit for payments with cultural aims.²³⁴

● Sponsorship/donations

Private cultural financing, sponsorship or donations decreased during the financial crisis in 2008 and is less documented or monitored than public financing. However, it is recognised that this should change. In 2019, the Ministry of Public Administration organised a series of workshops to establish the new national cultural programme. Several of these workshops focused on the impor-

231 CRE:HUB and the Institute for Economic Research (2017), State of Art of the CCI Sector in Ljubljana Urban Region. https://rralur.si/wp-content/uploads/2020/03/Swot-CREHUB_State-of-the-Art-of-CCI-Sector_RRA-LUR.pdf.

232 Compendium of Cultural Policies and Trends (2023), Slovenia Short Cultural Policy Profile. https://www.culturalpolicies.net/wp-content/uploads/pdf_short/slovenia/Slovenia_short_04_2023.pdf.

233 EACEA Youth Wiki (updated 2021), Creativity and Culture Slovenia document. <https://national-policies.eacea.ec.europa.eu/youthwiki/chapters/slovenia/81-general-context>.

234 PwC (reviewed 2023), Slovenia Tax Summary. <https://taxsummaries.pwc.com/slovenia/corporate/deductions#:~:text=Charitable%20contributions&text=An%20additional%20allowance%20of%200.2,from%20natural%20and%20other%20disasters>.

tance of innovative forms of cooperation between the public sector, private sector, independent creators in culture and NGOs, demonstrating awareness of the importance of multiple actors and stakeholders.²³⁵ Adopted by the National Assembly in February 2022, the Resolution on the National Programme for Culture 2022-2029 (Resolucija o Nacionalnem programu za kulturo 2022–2029) acknowledges that progress is necessary in the private sector. Among other things, the Resolution calls for the simplification of procedures for private sector financing, the modernisation of private investment in culture and the creation of an effective tax environment to encourage private investment in culture.

● Others

Run by the Museum of Architecture and Design (MEO) and supported by the Ministry of Culture, the Centre for Creativity (CzK: Center za kreativnost) is Slovenia's first business development accelerator. It was founded in 2017 to provide interdisciplinary support to Slovenia's CCS. In 2018, a project office for CzK was established in Maribor. CzK operates as a platform and was financially supported by the European Regional Development Fund and the Republic of Slovenia from 2017 to 2022. Besides its statutory activities supporting the CCS through a Creative Accelerator and an Incubator, skills-sharing programme (Skillshare), event organisation, and research and statistics (available mostly in Slovenian), CzK introduced a programme in 2020 that aims to recognise Slovenian creative products and services of exceptional quality through the introduction of the "Made in Slovenia" Badge of Excellence. The intention was to showcase outstanding Slovenian products and services throughout the second half of 2021, coinciding with Slovenia's presidency of the EU. Promoted within the framework of Slovenia's presidency, the Future of Living exhibition was displayed at more than 30 locations in Europe, South America and the Middle East, with over 100,000 people attending.²³⁶

There are a considerable number of culture- and creativity-related NGOs in Slovenia. For instance, Asociacija is an NGO that unites NGOs and independent creators, from museums and institutes to societies and associations, and beyond. It provides administrative and legal support to cultural actors and advocates on behalf of its members. Many NGOs specialise in a particular creative field: supporting event organisation and realisation are the NGOs Bunker (performance arts), En-Knap (contemporary dance) and SCCA (visual and new media arts).²³⁷

235 PIS (2022), Resolucija o nacionalnem programu za kulturo 2022-2029 (ReNPK22–29) (Resolution on the 2022-2029 National Programme for Culture). <http://www.pisrs.si/Pis.web/pregledPredpisa?id=RESO141>.

236 The Slovenian Presidency of the EU (2021), EU Monitor: The Future of Living. <https://www.eumonitor.eu/9353000/1/j9vvik7m1c3gyxp/vlov7az2noxj?ctx=vh7il22b7rnr>.

237 EACEA Youth Wiki (updated 2021), Creativity and Culture Slovenia document. <https://national-policies.eacea.ec.europa.eu/youthwiki/chapters/slovenia/82-administration-and-governance>.

MARKET FIGHE

— SPAIN



I. Specificity of the Spanish market – context and introduction

From a macroeconomic perspective, Spain's economic outlook for 2023 reflects a more subdued growth trajectory, influenced by factors such as the waning performance of the tourism sector, weaker economic activity in major trading partners, tightening financing conditions impacting aggregate demand and softer labour market dynamics. Despite these challenges, there are mitigating factors to consider: household purchasing power is expected to improve due to easing price pressures and rising nominal wages, partially supporting private consumption. The private sector's reduced leverage and a resilient banking sector contribute to financial risk mitigation, while the continued implementation of the National Recovery and Resilience Plan is set to bolster investment growth. GDP growth is projected to be 2.2% in 2023, reflecting an upward revision, and a slight moderation to 1.9% is expected in 2024, with softening economic activity. Inflation is forecast to moderate, with a projected 3.6% rate in 2023, followed by a further slowdown to 2.9% in 2024, despite some upward pressure from the phasing out of measures to combat high energy prices.

The CCS in Spain presents a complex dichotomy between its global cultural standing and its underlying structural fragility as an economic sector. On the one hand, Spanish culture enjoys widespread acclaim on the international stage, characterised by its rich tapestry of diversity and communicated through a language spoken by over 400 million people worldwide. This global recognition is reflected in Spain's impressive tally of UNESCO World Heritage Sites, ranking fourth globally with 49 sites, as well as its noteworthy position as a prominent player in the Books & Press subsector, with the recognition of cities like Granada and Barcelona as UNESCO Cities of Literature.

On the other hand, the CCS never fully recovered from the 2008 economic crisis and has faced critical challenges in recent years due to the COVID-19 pandemic. Spanish cultural workers and enterprises have shown remarkable resilience and determination in navigating these difficult times. Notably, 67% of Spanish cultural enterprises operate without paying salaries, contributing to income disparities within the CCS.²³⁸ Alarmingly, only 8% of actors and actresses in Spain can make a sustainable living solely from their artistic pursuits, emphasising the financial struggles faced by many in the industry.²³⁹

In Spain, recovery from COVID-19 is taking place at a different pace across CCS subsectors. The Audiovisual & Multimedia subsector and Books & Press subsector have fully recovered and even improved their overall performance, pushed by new consumption habits brought about by the pandemic. Meanwhile, subsectors struggling with digitalisation, like the Performing Arts subsector, are still below pre-COVID-19 level in terms of economic output and employment.

²³⁸ Spanish Ministry of Culture, Anuario de Estadísticas Culturales (2023), available at: <https://www.cultura.gob.es/dam/jcr:6b664e57-39bf-4cd6-84c4-b6e44865114b/anuario-de-estadisticas-culturales-2023.pdf>.

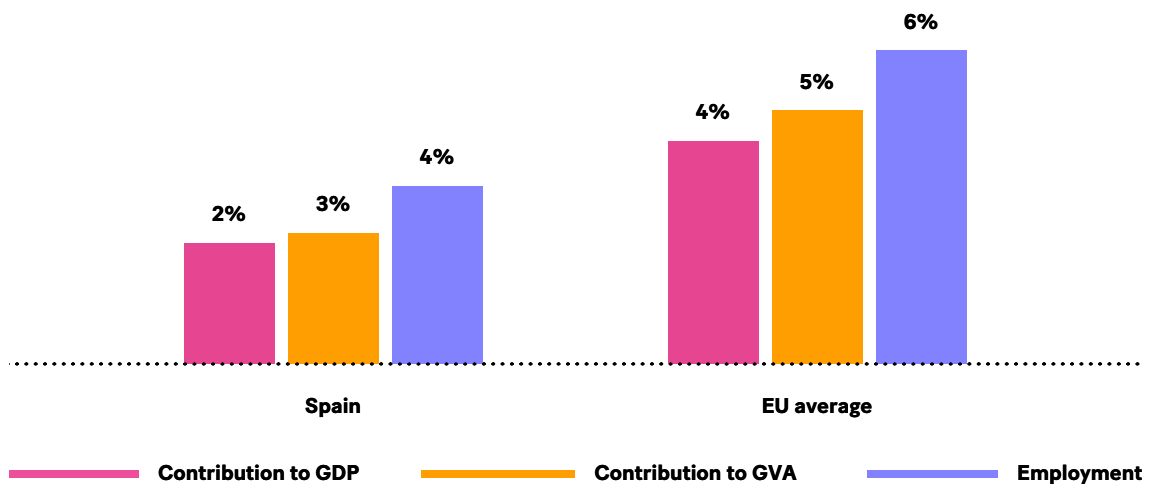
²³⁹ Estudio y diagnóstico sobre la situación sociolaboral de actores y bailarines en España. Edición 2016. Fundación AISGE.

II. Presentation of key market data on the CCS

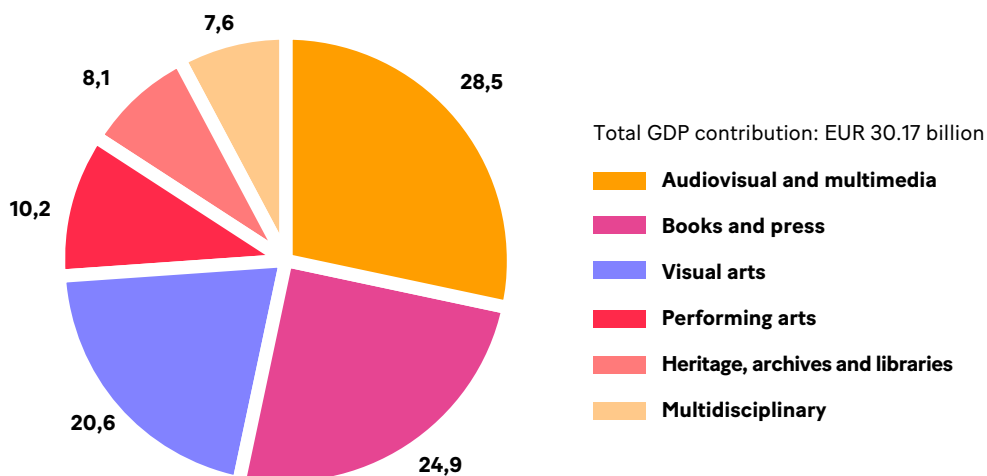
The most consistent source for cultural statistics in Spain is the “Anuario de Estadísticas Culturales” (*The Yearbook of Cultural Statistics*) published annually by the Ministry of Culture. The following two figures display the contribution of CCS to the Spanish economy pre-COVID-19.

The first figure presents a comparison between Spain and the EU average, for both contribution to GDP and GVA, and size of cultural employment. The second figure disaggregates the Spanish CCS into subsectors following the Yearbook’s categorisation; the Heritage, Archives and Libraries subsector, the Books & Press subsector, the Visual Arts subsector, the Performing Arts subsector, the Audiovisual & Multimedia subsector and Other CCS activities subsector.

CCS contribution to overall economy (2019)



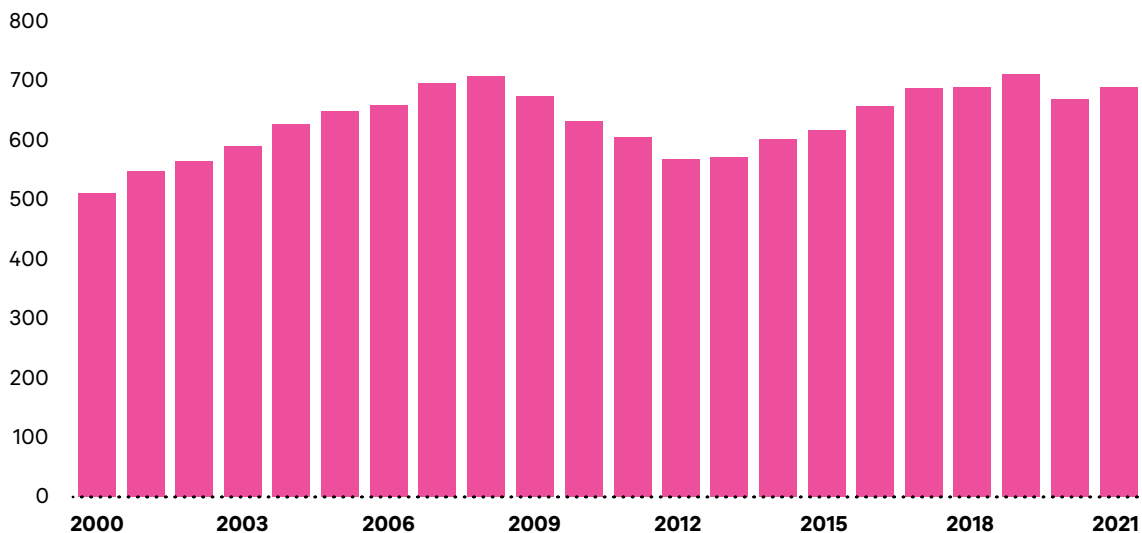
GDP contribution per CCS sub-sector in 2019



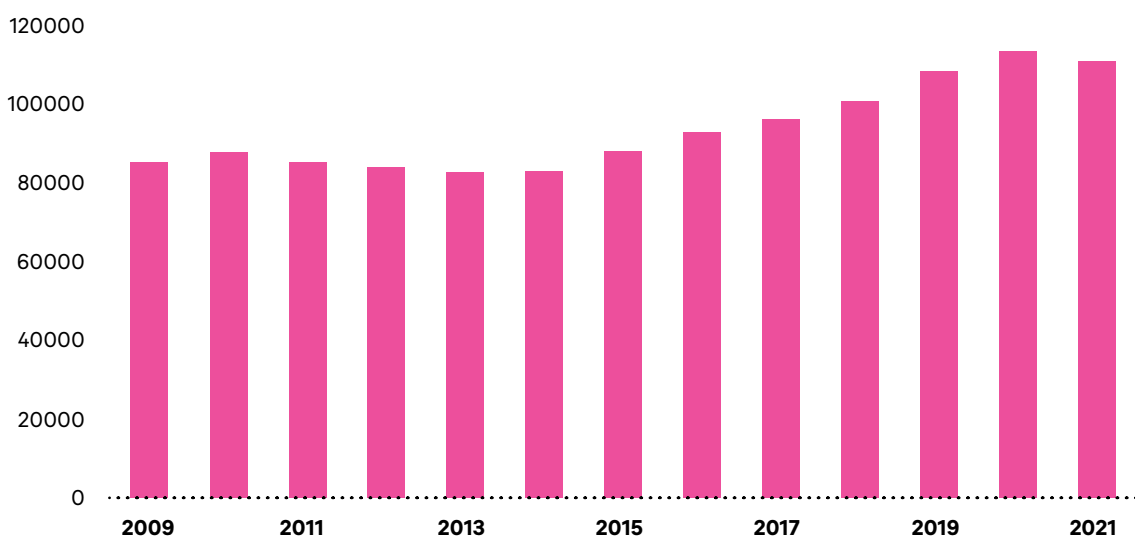
Source: Anuario de Estadísticas Culturales (2023)

The evolution throughout the past 20 years in cultural employment and number of enterprises is displayed below with data from the Yearbook. As observed, the decrease in employment was significant in 2020 but not as great as the contraction following the 2008 economic crisis. The number of enterprises has been steadily growing in the last decade, despite a landscape characterised by high levels of atomisation based on freelancers and microenterprises.

Evolution of CCS employment in Spain (2000-2021, in thousands)



Number of CCS enterprises in Spain (2009-2021)



Source: Anuario de Estadísticas Culturales (2023)

Furthermore, Spain's cultural activity is significantly concentrated in its two largest cities, Madrid and Barcelona, which together host over 40% percent of all CCS enterprises in the country. Madrid boasts 17,671 CCS enterprises while Barcelona is home to 11,062, out of a nationwide total of 66,855. These metropolitan hubs also make their mark on the European stage: Barcelona ranks 9th and Madrid 11th on the Cultural and Creative Cities Index among European cities with populations exceeding one million inhabitants.²⁴⁰

Beyond these two hotspots for Spanish CCS, Spain is home to a diverse urban ecosystem comprising numerous small (under 50,000 inhabitants) and medium-sized (50,000 to 250,000 inhabitants) cities that nurture thriving CCS communities. For instance, among medium-sized cities Granada claims 10th place for 'Cultural Vibrancy' while Terrassa shines for its 'Creative Economy' and Salamanca excels in providing an 'Enabling Environment'.²⁴¹

III. Financing sources for the CCS

Public spending for the CCS in Spain follows a decentralised approach, in which local authorities manage most public efforts towards promotion of, and access to culture.

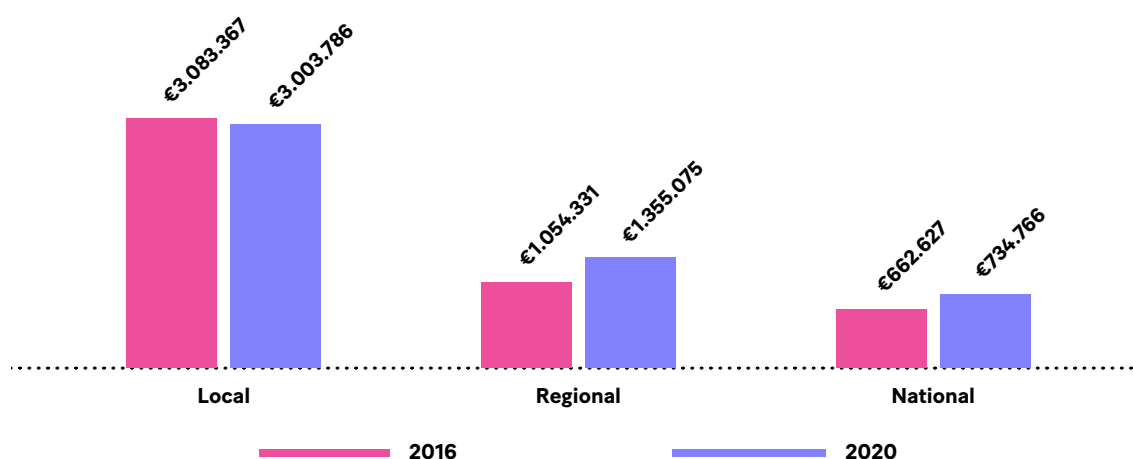
● Direct Public support – Subsidies/Direct expenditure in CCS

Overall public spending combining the three levels of administration (national, regional and local) has increased by 6.3% since 2016, mostly favouring regional competences.

As codified in the Yearbook, the largest cultural spending items at each level of administration are:

1. **National:** Cultural assets and services (Cultural heritage)
2. **Regional:** Dissemination and cultural cooperation (Cross-sectoral)
3. **Local:** Cultural promotion (Cross-sectoral)²⁴²

Public spending on CCS by administrative levels (in Thousands EUR)



Source: Anuario de Estadísticas Culturales (2023)

²⁴⁰ <https://composite-indicators.jrc.ec.europa.eu/cultural-creative-cities-monitor/countries-and-cities/es>.

²⁴¹ <https://composite-indicators.jrc.ec.europa.eu/cultural-creative-cities-monitor/countries-and-cities/es>.

²⁴² Spanish Ministry of Culture, Anuario de Estadísticas Culturales (2023), available at: <https://www.cultura.gob.es/dam/jcr:6b664e57-39bf-4cd6-84c4-b6e44865114b/anuario-de-estadisticas-culturales-2023.pdf>.

Spain's national policies revolve around culture, with sector-specific strategies such as the "Spain, Audiovisual Hub of Europe" Plan. This flagship initiative aims to revitalise the Spanish Audiovisual & Multimedia subsector through a EUR 1,603 million investment by 2025. The plan focuses on:

1. Digitalisation and Internationalisation: EUR 250 million to boost global presence
2. Financial Access and Tax Incentives: EUR 1,330 million to facilitate funding and provide tax benefits
3. Talent Development: EUR 15 million to nurture industry talent
4. Regulatory Reform: EUR 18 million for essential industry regulatory changes

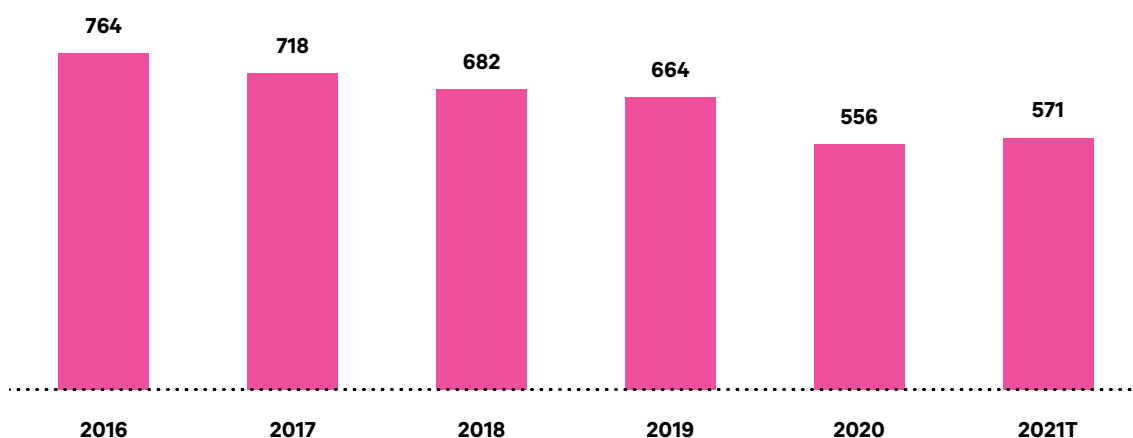
Another key cultural policy initiative adopted recently in Spain is the approval of the royal decree-law (31/2023) known as the "Artists Statute" in January 2023. This law represents the first attempt to specifically regulate artistic employment by compensating dismissals, incorporating technical auxiliary activities and planning other measures to improve the working conditions of artistic creators. This Statute has been celebrated by most associations in the sector.

● Indirect Public support – tax relief

The need to foster a collaborative triangle between cultural actors, public authorities and private investors is recognised as key to unlocking a positive growing dynamic for the whole sector. The latest draft law on Cinema and Audiovisual Culture (121/000137), approved by the Spanish government in December 2022, follows this approach by offering tax incentives to private investors as well as by aiming to create the first public-private Cinema State Council to spark dialogue, communication and cooperation within the audiovisual sector.

● Others

Private household expenditure on culture in EUR (2016-2021)



Source: Anuario de Estadísticas Culturales (2023)

Household cultural expenditure reached EUR 10,775 million in 2021, a 2.8% decrease compared to pre-COVID-19 2019 figures. Consumption habits have completely changed in the last decade in Spain. For instance, the Books & Press subsector has had to adapt to a 50% decrease in household expenditure on books in the last 15 years. Nowadays, more than 60% of the household budget on culture is spent on digital access, either on digital services or equipment and accessories.

MARKET FIGHE

— SWEDEN



I. Specificity of the Swedish market – context and introduction

Like most countries, Sweden experienced a period of high inflation in 2022, with consequences for employment and economic growth. In 2022, high energy prices – combined with high interest rates (to combat inflation) – dampened domestic demand, negatively impacting real GDP, which dropped from +2.6% in 2022 to -0.5% in 2023. Nevertheless, real GDP forecasts predict growth of 1.1% in 2024, highlighting how the Swedish economy is expected to recover, supported by the recovery of real disposable income, driving consumption growth. In 2023, the unemployment rate was 7.7% and is set to grow to 8.2% in 2024.²⁴³

Sweden's approach towards supporting arts and heritage relies significantly on public policies and funding. With a focus on equal access and participation, Swedish cultural policy aims to promote diverse cultural experiences and foster creative capabilities. This emphasis is reflected in Sweden's cultural participation rate (the percentage of the population that has participated in at least one cultural or sporting activity in the last 12 months), which, according to Eurostat, is the second highest in Europe (85% in 2015) after Denmark (85.3%) and before Finland (83.7%).²⁴⁴ Recently, the government has sought to embrace the green and digital transitions within the CCS.

Sweden is home to vibrant cultural industries in various domains, especially in the Music, Design and Video Games sectors. Sweden is one of the world's leading exporters of music relative to the size of its economy, producing chart-topping musicians such as pop rock duo Roxette and DJ-producer Avicii. The internationally renowned Swedish pop group ABBA stands as testament to the country's musical prowess and cultural outreach. Furthermore, Sweden boasts a significant and growing presence in the video game industry. Notably, it is home to the Embracer Group which operates in the PC/console, mobile games, boardgames and other related media industries,²⁴⁵ and is the second-largest video games firm in Europe after Ubisoft (France). Additionally, Swedish design, exemplified by the globally recognised brand IKEA, has made a significant impact on the international market by introducing home furnishing products that combine affordability, functionality and aesthetics.

II. Presentation of key market data on the CCS

In 2021, the number of individuals employed in the Swedish CCS equalled approximately 222,500 people, accounting for 6.8% of total jobs in the country.

The employment market within the CCS in Sweden is characterised by the strong presence of free-

²⁴³ European Commission (2023), Economic forecast for Sweden. https://economy-finance.ec.europa.eu/economic-surveillance-eu-economies/sweden/economic-forecast-sweden_en#:~:text=Overall%2C%20real%20GDP%20is%20forecast,and%20declining%20corporate%20profit%20margins.

²⁴⁴ Eurostat (2022), Culture statistics - cultural participation. https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Culture_statistics_-_cultural_participation.

²⁴⁵ Embracer Group, About Embracer Group. <https://embracer.com/about/>.

lance workers (many artistic professionals operate their own enterprises) and by a rise in artist-driven initiatives. In 2021, the self-employment rate among artists and writers was 4.8 times higher than that of the national economy.²⁴⁶

GVA, number of enterprises and of persons employed in 2020 in Sweden						
CCS subsector	GVA at factor cost		Number of enterprises		Number of persons employed	
	EUR million	Share in non-financial business economy	Number	Share in non-financial business economy	Number	Share in non-financial business economy
Architecture	669	0.27%	3,899	0.59%	9,856	0.30%
Audiovisual & Multimedia	12,860	5.28%	39,085	5.93%	109,157	3.37%
Books & Press	2,114	0.87%	10,497	1.59%	37,252	1.15%
Performing Arts	1,385	0.57%	8,982	1.36%	27,427	0.85%
Visual Arts	1,735	0.71%	25,647	3.89%	23,919	0.74%
Other CCS activities	993	0.41%	6,755	1.03%	14,940	0.46%
Total CCS	19,756	8.1%	94,865	14.4%	222,551	6.88%

Source: Eurostat²⁴⁷

The largest subsector in terms of number of enterprises is the Audiovisual & Multimedia subsector (more than 39,000 enterprises), followed by the Visual Arts subsector, with over 25,000 enterprises in 2020, surpassing other subsectors by a significant margin.

In Sweden, the Audiovisual & Multimedia subsector had the largest economic weight within the CCS, generating a GVA of EUR 12,860 million in 2020. It was closely followed by the Books & Press subsector, and the Visual Arts subsector.

After experiencing a drop following the 2008 financial crisis, overall employment in the CCS increased by 33% between 2009 and 2019, at which point the COVID-19 pandemic put a momentary halt to the development of the CCS.

III. Main financing sources for the CCS

In Sweden, the CCS are primarily financed through public funding, with a relatively low percentage of private investment and sponsorship.

²⁴⁶ Eurostat (2022), Culture statistics – cultural employment. https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Culture_statistics_-_cultural_employment#Cultural_employment_E2.80.93_developments_between_2019_and_2021.

²⁴⁷ No data on Heritage, Archives & Libraries for Sweden.

● Direct Public support – Subsidies/Direct expenditure in CCS

Public expenditure on culture in 2021 amounted to approximately EUR 3.2 billion, reflecting an increase of 3.6% compared to 2020. Most of this increase was driven by central government expenditure, which rose from EUR 1.58 billion to EUR 1.70 billion in 2021 prices. Overall, public expenditure on culture was forecast to constitute 0.67% of the country's GDP in 2021.²⁴⁸

Source: Kultur Analysis. Samhällets utgifter för kultur²⁴⁹

As seen above, State expenditure on culture has increased over the past years, with a spike following the COVID-19 pandemic. In fact, as a direct response to the pandemic, the government allocated an additional budget of over EUR 300 million (SEK 3.4 billion) to the cultural sector during 2020-2021.

The Ministry of Culture in Sweden is responsible for a wide range of policies, including culture, media, democracy, human rights, minorities, civil society, sport and youth. The Swedish Arts Council is the main public agency in charge of implementing national cultural policy objectives for the development of the cultural sector. It allocates State funding to various cultural sectors including theatre, dance, music, literature, reading promotion, public libraries, cultural magazines, visual arts, museums and exhibitions, cross-sectorial projects and initiatives related to Sami culture, an important part of Sweden's indigenous cultural heritage. The Swedish Arts Council is a major funder in Sweden, providing annual subsidies of approximately EUR 161 million (SEK 1.8 billion). Most of the funding from the Swedish Arts Council is allocated to the regions, which are responsible for distributing funds to cultural institutions, organisations and independent groups.

²⁴⁸ Kulturanalysis (2022), Samhällets utgifter för kultur 2021 (Society's Expenditure on Culture 2021). <https://kulturanalys.se/wp-content/uploads/2022/11/Samhallets-utgifter-for-kultur-2021-webb.pdf>.

²⁴⁹ Kultur Analysis, Samhällets utgifter för kultur' (Society's Expenditure on Culture). <https://kulturanalys.se/temaomraden/samhallets-utgifter/>.

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