



# United Nations Conference on Trade and Development

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Accra, Ghana  
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### Pre-conference event

## Outcome of the Secretary-General's high-level panel on the creative economy and industries for development

Geneva, 14–15 January 2008

Note prepared by the UNCTAD secretariat

### *Executive summary*

The Secretary-General's high-level panel on the creative economy and industries for development met in Geneva on 14 and 15 January 2008, as an UNCTAD XII pre-conference event. The session was attended by 141 participants from 49 countries, 11 international organizations, 5 United Nations agencies, 3 specialized agencies and 9 non-governmental organizations. The panel comprised eminent government officials led by the Minister of State for Culture of Ghana and the Deputy Minister of Culture of Bulgaria, policymakers, experts from international organizations, practitioners from the cultural and creative community and representatives of academia and civil society from both developed and developing countries. It was chaired by the Vice-President of the Trade and Development Board, Ambassador Mabel Gomez Oliver, Deputy Permanent Representative of Mexico to the United Nations in Geneva.

## Chair's summary

1. The debate focused on issues presented in background note TD(XII)/BP/4. The session aimed to: (a) provide a platform for progress in the intergovernmental debate in the area of the creative industries and the emerging creative economy; (b) review the work undertaken by the UNCTAD secretariat in fulfilling its mandate on that innovative topic, reassert its role and identify areas for possible future work; and (c) take stock of progress made in the analytical and policy agenda surrounding the creative economy.

2. It was recognized that UNCTAD XI had for the first time introduced the topic of creative industries into the international economic and development agenda. Since then, UNCTAD had, in line with its mandate, played a key role in sensitizing Governments to the potential of the creative economy to foster trade and development gains, promoting policy-oriented initiatives and enhancing cooperation with countries, institutions and the international community at large.

3. The panel discussed policy strategies, multilateral processes, national experiences, assessment tools and areas for international cooperation aimed at enhancing creative capacities in developing countries. Debates focused on six themes: (a) innovative policy options for concerted inter-ministerial action; (b) promoting trade gains from creative goods and services; (c) the role of intellectual property rights and information and communication technologies; (d) fostering cultural policies while preserving cultural diversity; (e) building creative capacities and synergy for international cooperation; and (f) capturing trade figures and economic indicators for the creative industries.

4. It was noted that – given the multi-disciplinary aspects of the creative economy in dealing with the interface between economics, culture and technology – the creative economy called for innovative cross-cutting policy responses involving ministries of culture, trade, foreign affairs, technology, labour, tourism and education. To be effective, public policies had to be put in place in a coherent and integrated manner for harnessing the potential of the creative economy for socio-economic growth and employment. The participation of ministers of culture in shaping the future course of policy action in the area of creative economy was noteworthy. Due to the linkages of the creative industries with the overall economy at macro and micro levels, institutional mechanisms were needed, in particular to deal with the numerous challenges relating to supply capacities, financial constraints and capacity-building, as well as to reinforce fiscal policies, competition law and intellectual property regimes. Public policies were essential to optimize the impact of the creative nexus between investment, technology, entrepreneurship and trade, to enhance creative capacities for inclusive development.

5. It was pointed out that creative industries were among the most dynamic sectors in world trade. Exports of creative goods and services reached \$445.2 billion in 2005, with an annual growth of 8.7 per cent from 2000 to 2005. These industries were a powerful source of income, job creation and export earnings for most advanced countries, and could be a feasible strategic option to diversify the economies of developing countries, including the least developed countries, by offering new venues for those countries to leapfrog into value added, high-growth sectors of the creative economy. However, there were obstacles preventing developing countries from benefiting from the dynamism of creative goods and services in world markets. The formulation of trade policies at the multilateral and regional levels was complex, and flexibilities mattered. Ongoing negotiations in the World Trade Organization's Doha Round – in particular the General Agreement on Trade in Services and the Agreement on Trade-Related Aspects of Intellectual Property Rights – had implications for the creative industries, in particular for audio-visual services. It was felt that market

strategies and business opportunities for export promotion of creative goods and services from developing countries in global markets should be strengthened. UNCTAD encouraged developing countries to diversify the range of exportable creative goods and services, by upgrading their quality and improving their international competitiveness. It was felt that efforts should be made to reconcile cultural objectives with international trade policies.

6. The role of intellectual property rights was widely recognized. It was felt that current lacunae in the intellectual property rights regime should be addressed, and policy options to deal with issues related to traditional cultural expressions and public domain were needed. The implementation of the Development Agenda of the World Intellectual Property Organization (WIPO) could help place developing countries at the helm of new initiatives relevant to the creative industries, particularly in developing countries. WIPO should work for the protection of locally-generated creations, and a balance should be achieved between protection of rights and public interest. Cooperation between WIPO and UNCTAD in that area was envisaged.

7. Technology and new information and communication technology tools brought radical changes for the creation and distribution of digitalized creative content. New business models meant new roles for creators, new forms of content, interactivity and lower entry barriers. However, their full impact for the creative industries was not yet clear. There were challenges for conceptualization and measurement, and a need to maximize the benefits of convergence and innovative e-business models. Possibilities to share best practices between developed and developing countries was an area to be further explored.

8. The role of creative industries as a source of economic and cultural empowerment was reaffirmed by the engagement of the international community with the implementation of the United Nations Educational, Scientific and Cultural Organization (UNESCO) Convention on Cultural Diversity, aiming at preserving diversity while promoting plurality of cultural offers. The importance of preferential treatment for developing countries and international cooperation were tools which should be supported by the international community for developing countries.

9. Many developing countries were not yet fully benefiting from their creative economies for developmental needs, due to the combination of domestic policy weakness and obstacles at the global level. Domestically, policies were needed to enhance creative capacities and address size-related constraints of small and micro creative enterprises, particularly lack of financing and business skills. There was no one-size-fits-all approach; each country depending on its cultural and economic specificities needed to identify creative industries with the best competitive advantages in global markets. Creative clusters and capacity-building were effective tools. International cooperation could play a positive role in assisting developing countries to enhance their creative capacities.

10. A major constraint to assess the economic impact of the creative industries was the lack of reliable and comparable statistics and socio-economic indicators at the universal level. Lack of precise and consensual definitions and limitations of current methodologies and statistical codes were the main problems. Furthermore, customs-based classifications could not capture the growing volume of digital trade of creative content. The non-availability of data flows for copyrights was an additional missing link. Nevertheless, UNCTAD made a first attempt to present its preliminary data for trade of creative goods and services. That provided a global picture for analysis of trade flows and market trends. The Global Databank on Creative Industries was prepared on the basis of available official data provided to the United Nations. The intention was to give a first step to capture the dynamic growth of creative goods and services in world markets. Although the picture was incomplete due to differences in

data collecting systems and the limited number of countries providing figures for trade in creative services, that was an important move towards market transparency. However, in order to overcome conceptual and methodological shortcomings, further work was required at the expert level. UNCTAD was working in collaboration with the International Trade Centre (ITC), UNESCO and other relevant institutions. There was a need to improve the quality and coverage of statistics for creative products. That was an area where collaborative efforts by international organizations should be pursued and strengthened.

11. The panel recognized that UNCTAD's work in the area of the creative economy and the creative industries should be pursued and enhanced. The representative of Argentina, on behalf of the Group of Latin America and Caribbean Countries (GRULAC), said that the creative industries were an example of emerging issues that should be addressed in the context of UNCTAD XII, with a view to reinforcing the work of UNCTAD in that area. Other participants manifested support for UNCTAD to strengthen synergies with the United Nations agencies – in particular with the United Nations Development Programme Special Unit for South–South Cooperation, UNESCO, WIPO and ITC – as well as with other institutions for policy analysis, technical cooperation and the improvement of statistics as regarded the creative economy. It was felt that UNCTAD should continue to fulfill its mandates and assist Governments on issues related to the development dimension of the creative economy, in line with the three pillars of UNCTAD's work: (a) consensus-building, by providing a platform for intergovernmental debates; (b) policy-oriented analysis, by identifying key issues underlying the creative economy and the dynamics of creative industries in world markets; and (c) technical cooperation, by assisting developing countries to enhance their creative economies for trade and development gains.

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