International trade of cultural goods and services: measurement challenges

Lydia Deloumeaux, Associate Programme Specialist, culture statistics

Creative Economy Ad hoc expert meeting, UNCTAD
28 October 2019
Data to monitor the Global Agenda

- **2005 UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions.**
  - Article 16 of the Convention stipulates “Developed countries shall facilitate cultural exchanges with developing countries by granting, through the appropriate institutional and legal frameworks, preferential treatment to .... cultural goods and services from developing countries”.

- **Thematic approach to SDG: 17.11 Significantly increase the exports of developing countries, in particular with a view to doubling the least developed countries’ share of global exports by 2020.**
UIS Reports/Analyses on international trade of cultural goods and services

**International reports on International flows of cultural goods and services**

- Series started in the 80’s

Chapter 6 of the 2015 and 2018 Global Monitoring Reports of the 2005 Convention for the Promotion and Protection of the Diversity of Cultural Expressions: focus on preferential treatment

CULTURAL DOMAINS

A. CULTURAL and NATURAL HERITAGE
   - Museums (also virtual)
   - Archeological and Historical Places
   - Cultural Landscapes
   - Natural Heritage

B. PERFORMANCE and CELEBRATION
   - Performing Arts
   - Music
   - Festivals, Fairs and Feasts

C. VISUAL ARTS and CRAFTS
   - Fine Arts
   - Photography
   - Crafts

D. BOOKS and PRESS
   - Books
   - Newspaper and Magazine
   - Other printed matter
   - Library (also virtual)
   - Book Fairs

E. AUDIO-VISUAL and INTERACTIVE MEDIA
   - Film and Video
   - TV and Radio (also Internet live streaming)
   - Internet podcasting
   - Video Games (also Online)

F. DESIGN and CREATIVE SERVICES
   - Fashion Design
   - Graphic Design
   - Interior Design
   - Landscape Design
   - Architectural Services
   - Advertising Services

G. TOURISM
   - Charter travel and tourist services
   - Hospitality and accommodation

H. SPORTS and RECREATION
   - Sports
   - Physical fitness and well being
   - Amusement and Theme Parks
   - Gambling

RELATED DOMAINS

INTANGIBLE CULTURAL HERITAGE
(oral traditions and expressions, rituals, languages, social practices)

EDUCATION and TRAINING

ARCHIVING and PRESERVING

EQUIPMENT and SUPPORTING MATERIALS
COMMONALITIES AMONG THE DIFFERENT MODELS

WIPO: Copyright industry
- Photocopiers
- Paper
- Copyright Collective management societies

Software Databases
- Music
- Video games
- Performing arts
- Films and video
- Fine arts
- Photography
- Crafts
- Architecture services
- Advertising services
- Museums
- Design services
- Publishing

UNCTAD: Creative trade
- R&D
- Garment industry
- Heritage
- Intangible heritage
- Festivals
- Carnivals
- Library
- Museums

UNESCO-UIS Cultural trade
Tourism
Sports

Natural heritage
- Tourism
- Sports
- R&D
- Garment industry
- Heritage
- Intangible heritage
- Festivals
- Carnivals
- Library
- Museums

Software
- Databases
- Music
- Video games
- Performing arts
- Films and video
- Fine arts
- Photography
- Crafts
- Architecture services
- Advertising services
- Museums
- Design services
- Publishing
Total exports and imports of cultural goods by country, 2004-2017*
Key conclusions from 2018 chapter (Updated data)

All developing countries, led by China and India represented an increasing portion of the global flows of cultural goods.

China is the lead exporter of cultural goods (US$28.1 billion), followed by the United States (US$27.4 billion) in 2017. While in 2010, the U.S. has lost its position as the top exporter of cultural goods, USA is closing the gap in 2017 due to China's slowdown. USA also remains the top importer of these goods.

Trade barriers, the scarcity of preferential treatment measures and the limited human and financial capacity continue to hamper the penetration, by developing countries, of markets for cultural goods in the global North.

Digital distribution platforms, exchange networks and export strategies, mostly in the audiovisual sector, are helping global South countries enter the international market of cultural goods and services.

The new digital environment urgently requires improved data collection on cultural trade services, in order to support evidence-based policies and trade negotiations.
**Shift in culture practices:** Change in consumer practices: digital shift in music.

- In 2015, for the first time the revenues generated from digital forms overtook the sales generated by physical media.
- Global digital revenues representing 54% of the total music industry revenues in 2017.

(Source: IFPI, 2018)

**Increased need of data on cultural services**

How to collect data by country of origin?

Source: ISU, 2016, *The globalization of culture trade: a shift in consumption*
EBOPS Complementary groupings relating to Cultural transactions

- Audio-visual transactions
- Artistic related services
- Licences to reproduce and/or distribute other products
- Heritage and preservation services
- News agency services
- Other information services (excl. databases)
- Architectural services
- Advertising services
- Cultural goods

Source: UN, WTO, and al., Manual on Statistics of International Trade in Services, 2010
## Cultural services trade: Key components from EBOPS

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Source: UIS-UNESCO, 2009 FCS
### Cultural Services at Detailed Level in WTO Database, EBOPS 2010

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Extraction WTO database, May 2018
Lost data on international trade of cultural services

• With implementation of EBOPS 2010, less data on cultural services in the 2018 UNESCO Report compared to 2015 based on EBOPS 2002

• More categories in culture but not mandatory and not submitted to international organisations such as WTO

• Different practices at country level in categorising the same activity
  • Lack of comparability
  • USA and UK do not provide data on audiovisual services but categorised as licenses or distribution communication services
  • Difficult to assess the magnitude of international trade of cultural services
Conclusions I

- Data show that South-South trade of cultural goods is still limited. Most of the trade flows occur between North and South.

- Trade of cultural goods was affected by the 2008 economic crisis just as was global trade in general.

- However, in the post-crisis era, the recovery of trade in cultural goods has been slower compared to all global goods.

- Constant changes of classification (HS) may impact the results, how to get consistent time series
Conclusions II

• Some data limitations: international trade of cultural services.

• New instruments and data collection needed for assessing the value of cultural digital products.

• Need to strengthen cooperation between international organizations in the global trade of cultural goods and services statistics, including UIS, UNSD, WTO and UNCTAD.

• Need statistical capacity building to support developing countries ability to produce cultural trade data.
Thank you!
Data to transform lives

Lydia Deloumeaux, Associate Programme Specialist, Culture Statistics
l.Deloumeaux@unesco.org
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