

# The Rise of the Digital Creative Economy: Prospects and Options for Developing Economies

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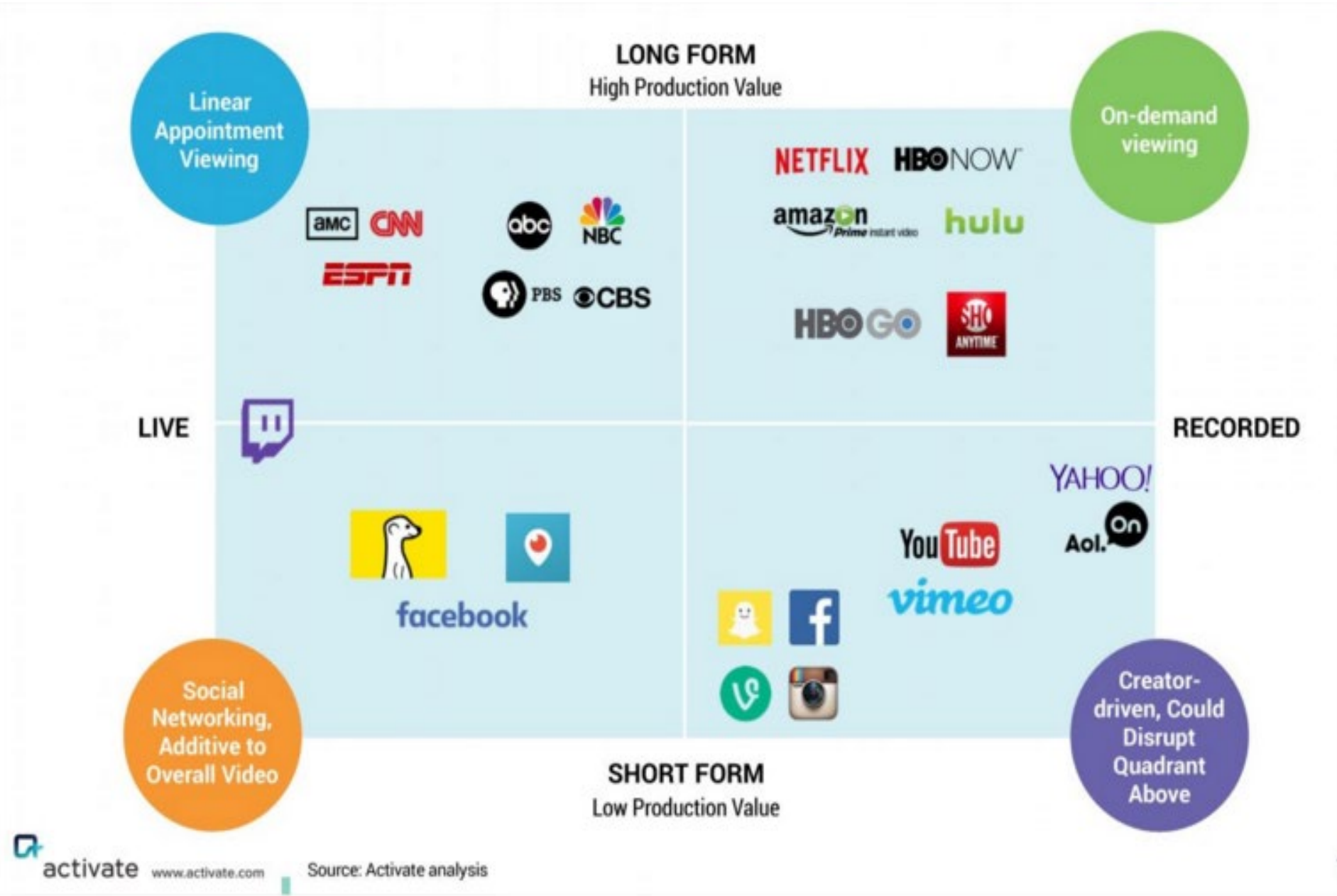
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# The Rise of the Digital Creative Economy

- ❑ The Digital Creative Economy contributed **\$200bn** to the digital economy
- ❑ Drove sales of electronic devices worth **\$532bn**,
- ❑ Generated **\$66bn** Digital Cultural Content B2C Sales
- ❑ Ad Revenues from Online Media and Free Streaming **\$21.7 bn**  
(*EY, Cultural Times, 2015*).



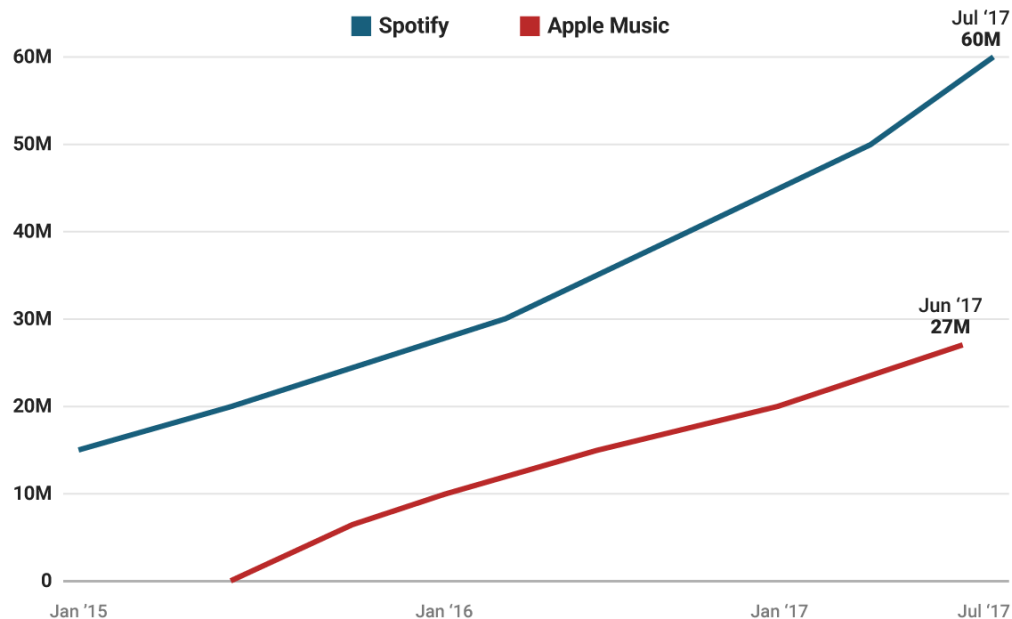
Digitalization has led to a decline in trade of digitizable goods (e.g. CDs, books and newspapers) from 2.7 per cent of total goods trade in 2000 to 0.8 per cent in 2016 (WTO Digital Trade Report 2018).





## SPOTIFY'S SUBSCRIBER GROWTH OUTPACES APPLE MUSIC

Number of worldwide paid subscribers to Spotify and Apple Music

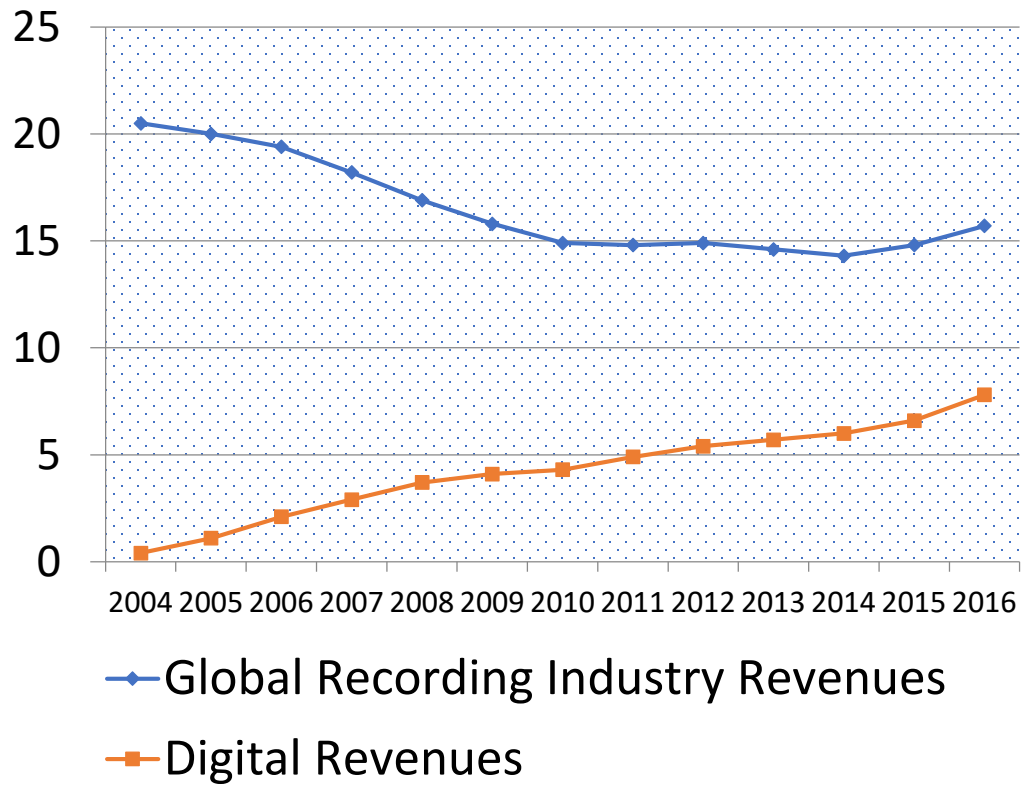


SOURCE: Company announcements

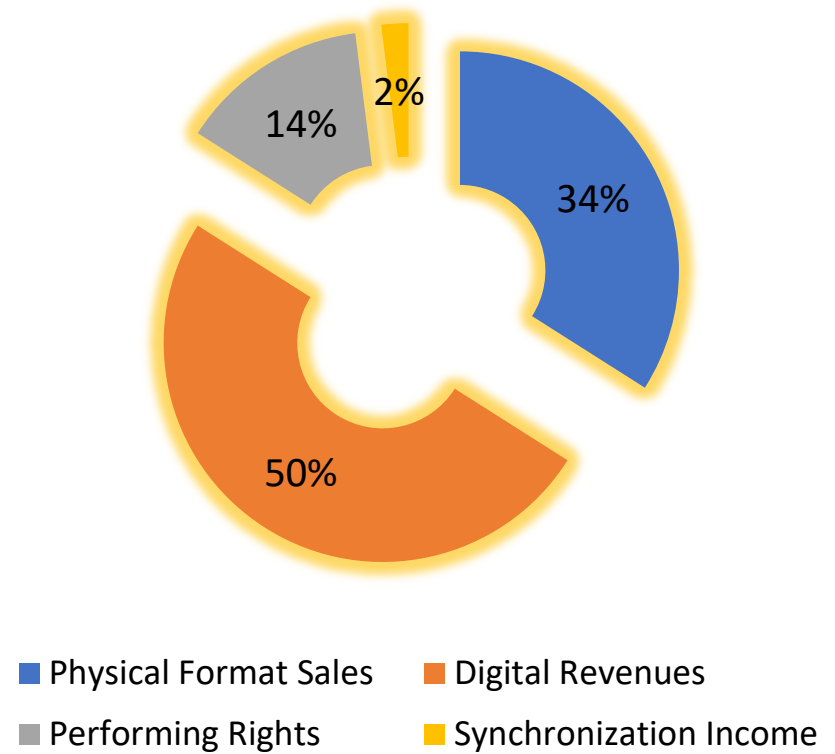
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- Subscriber base was set to grow to 100m in 2018.
- User base could hit half a billion (500m) by 2020 - with 200m from paying subscribers.
- Projected to be valued at \$100 billion by 2020.

**Global Recorded Music Revenues, 2004-2016 US\$bn (IFPI 2017)**



**Global Music Revenues Segments, 2016 (IFPI 2017)**



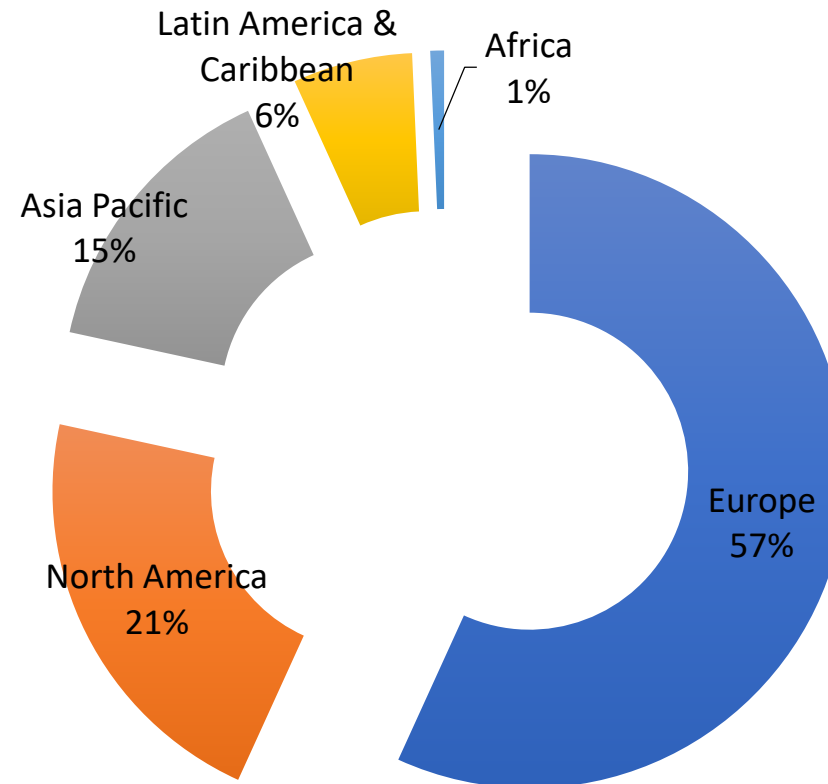
■ Global collections of royalties have risen by 18.5% since 2012 (\$7.7 billion) to 2016 (\$9.2 billion).

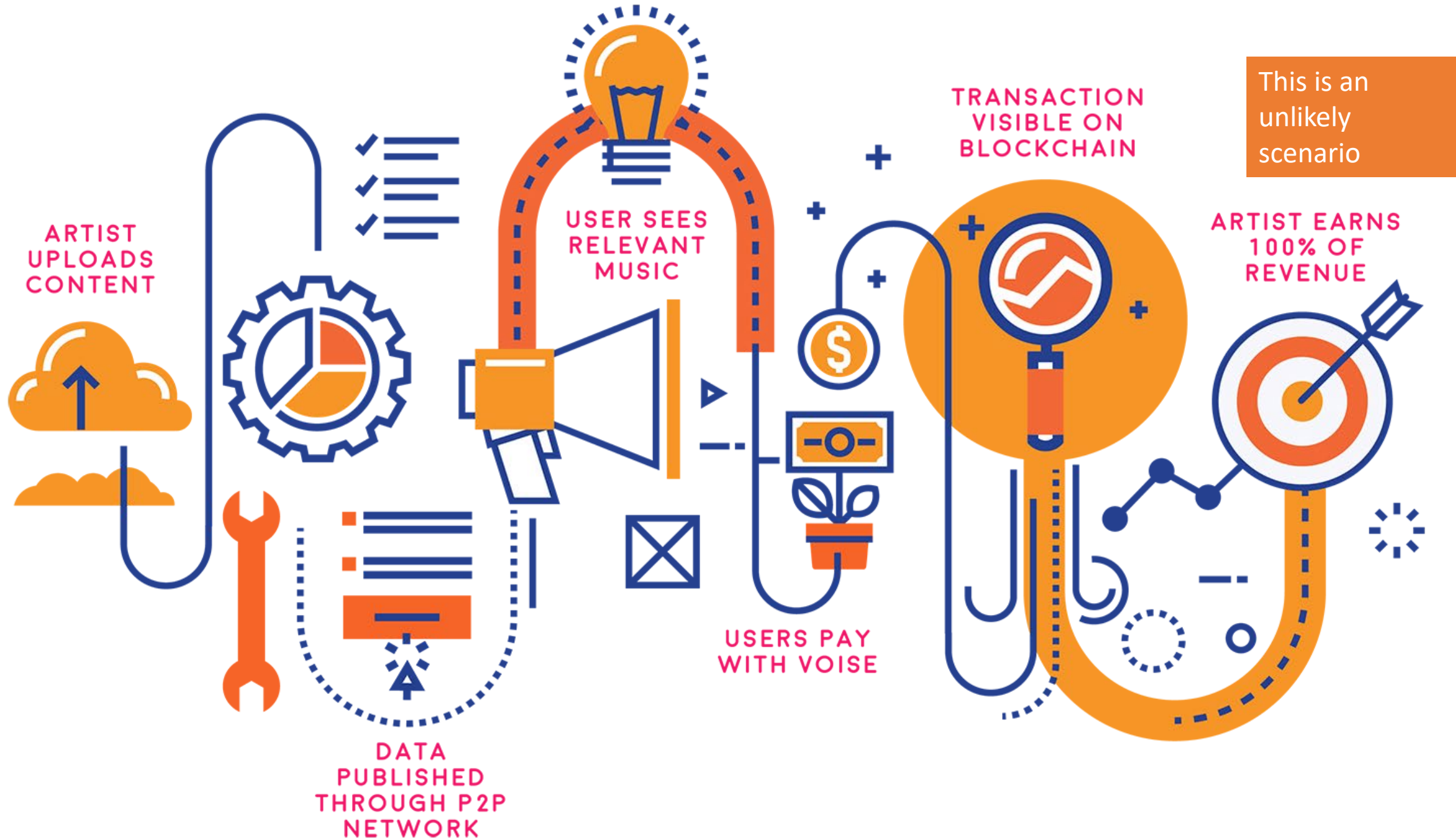
■ Digital collections has risen over 50% in the last year but only accounts for 10% of total global collections of royalties.

■ Music accounts for 87.4% of global collection royalties in 2016. Audiovisual has 6.3%, Literary (2.3%), Dramatic (2.1%), Visual Arts (1.9%).

## Global Collections of Royalties, Share by regions 2017

Source: CISAC 2018





# Key Players in Blockchain Music

*Institutional capacity/global reach*



*Creator's Interests/income*



# Three Scenarios for Developing Countries in the Digital Arena



## Innovation

- Diversification through digitalization and innovation in product and service offerings
- Accelerated shift from 'bricks and mortar' to 'clicks and mobile'
- Social transformation through outreach and ownership by key target communities

## Status quo

- Weak and incremental diversification to digitalization
- Ad hoc and slow implementation of digitalization
- Limited and piecemeal transformation of key stakeholders

## Reversal

- Maintenance of established monoculture
- Migration of key target/client groups away from outdated products and services
- Decline and decay of existing knowledge and physical infrastructure

Thank you for your kind attention