

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

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# Trade in creative services

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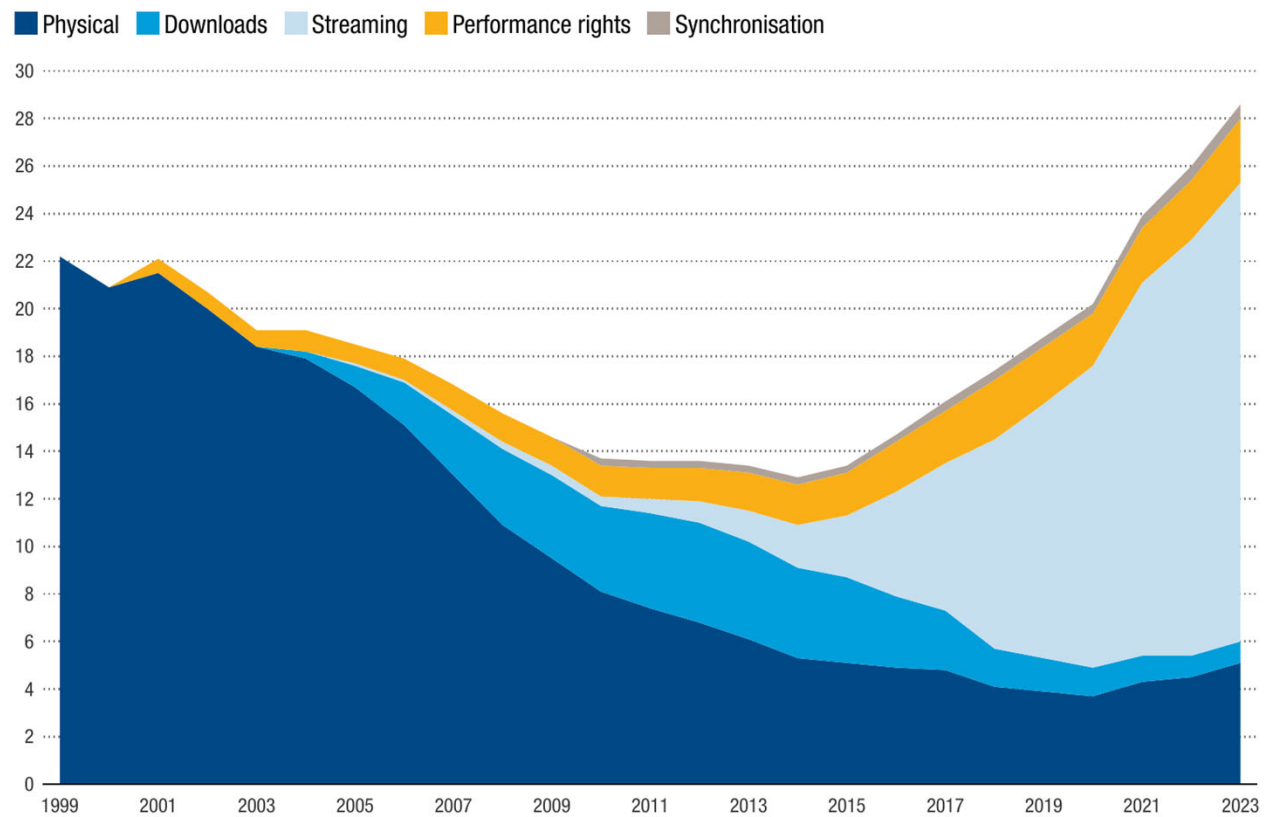
Division on International Trade and Commodities



# ➤ Global trends in creative services

- ▶ Digital services drive growth (as illustrated by trends in global recorded music revenue streams)
- ▶ Gamification across various sectors
- ▶ Cross-industry collaborations
- ▶ Creative industries are growing in developing economies with younger generations increasingly consuming digital creative content
- ▶ High market concentration

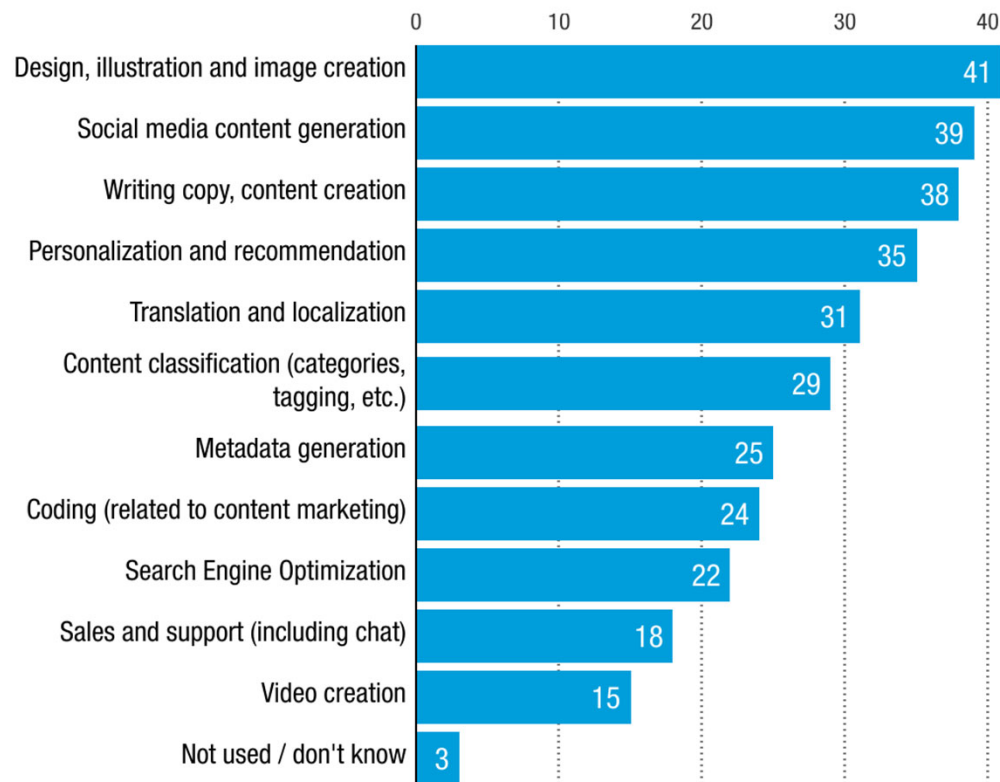
Global recorded music revenues (US\$ billion)



Source: UNCTAD, based on International Federation of the Phonographic Industry (2024)

# ➤ Digitalization and AI in creative services

Use cases of artificial intelligence by news teams, 2023  
(percentage)



Source: WordPress

- ▶ Digital tools and artificial intelligence (AI) can significantly transform the way creative services are produced, distributed and consumed.
- ▶ Digitalization poses challenges to existing policies and regulations, especially in developing countries.
- ▶ Monitor technological developments and update policy and regulatory frameworks (also through international cooperation):
  - ▶ Impact on jobs
  - ▶ Digital divides (skills and infrastructure)
  - ▶ Quality and consumer protection
  - ▶ Intellectual property rights and copyrights

## ➤ Market concentration

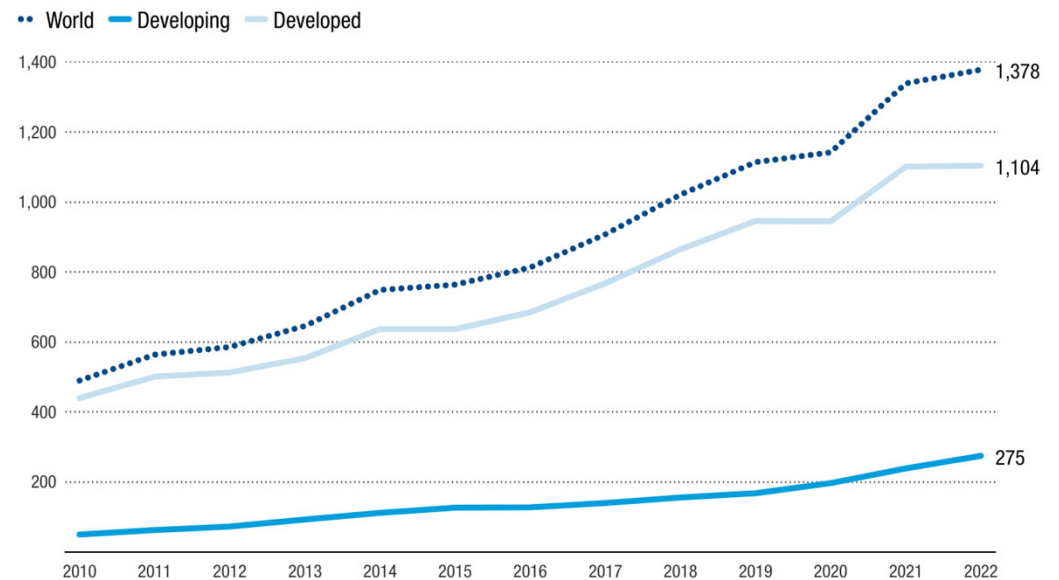
- ▶ Creative markets are often highly concentrated and possess unique characteristics that impact competition
- ▶ Large platforms, like film and music streaming platforms, can have major advantages due to network effects, high switching costs and the ability to extract, control and analyze user data to further increase outreach
- ▶ There can be a trade-off between fostering competitive markets and nurturing domestic industries
- ▶ Policymakers worldwide need to address competition challenges in the digital economy, including creative industries



# ➤ International trade in creative services

- ▶ Creative goods and services exports have decoupled in the past few years: increasing role of creative services
- ▶ The bulk of creative services exports are concentrated among a few developed economies
- ▶ Developing countries have increased their share of all creative services exports from 10% to 20%
- ▶ Challenges remain in data availability and necessary detail

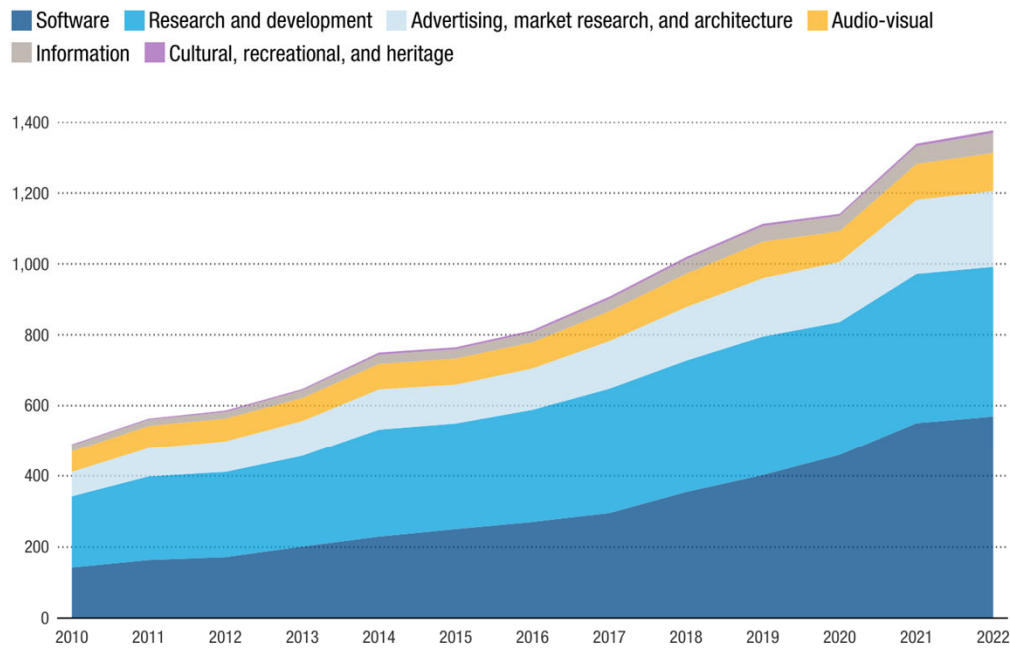
Exports of all creative services by developing and developed economies (US\$ billion)



Source: UNCTAD

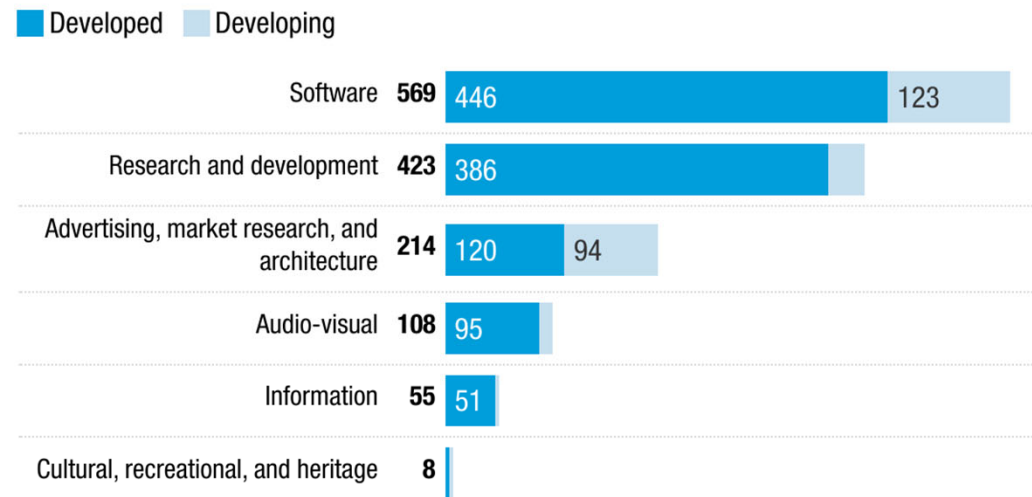
# International trade in creative services

World creative services exports by services category (US\$ billion)



Source: UNCTAD

Developed and developing economies' creative services exports by product groups (2022, US\$ billion)



Source: UNCTAD

## Barriers to trade

- ▶ Developing economies may face difficulties in competing in creative services due to skill and infrastructure deficits.
- ▶ Services trade, including creative services, continues to face significant trade costs and restrictions. However, trade costs for digitally delivered services, including creative services, decreased by 14 per cent in 1996–2018.
- ▶ The extent of multilateral market opening in services, including creative services, has been limited.
- ▶ Trade in creative services is at the cross section of trade, culture and public services.

# ➤ Questions for discussion

## Digitalization and artificial intelligence

- ▶ What are the development challenges and opportunities of digitalizing and using AI in creative services? What policies and regulations are needed for developing countries?
- ▶ How is your country using digitalization and AI to improve competitiveness of creative services? What are the policies in your country to overcome any related challenges?

## Barriers

- ▶ What are the most significant barriers, including competition issues, hindering growth in your country's services sector, particularly creative services? What initiatives could countries introduce to address these barriers?
- ▶ Which trade barriers do creative services from your country encounter in the global market? What policy measures or international collaborations, for example on competition issues and trade policy, could countries pursue to enhance global trade in creative services?



# Thank you

