

Annex I

Creative economy definition and update on the statistical framework

The creative economy is continuously evolving, with innovation and digitalization introducing new creative products and altering traditional ones, such as the shift from physical to digital media for film and music. Consequently, updated statistical classifications are required to accurately reflect these sectors' economic impact. Recent UNCTAD reports (UNCTAD, 2022a, 2024c) have detailed these changes and the need for a better understanding and measurement.

Measuring the creative economy involves multiple dimensions, including economic contributions, employment, and societal participation in creative activities (UNESCO Institute for Statistics, 2009).

Recognising the need for updated definitions and classifications, UNCTAD initiated a global consultation, establishing an Informal Working Group on the Creative Economy, composed of creative economy experts from developed and developing economies. UNCTAD is also part of the United Nations Statistics Division's Task Team on International Trade Statistics to refine the measurement of international trade in creative goods and services in a collaborative effort with the United Nations Educational, Scientific and Cultural Organization (UNESCO). This work has culminated in a methodological proposal linking creative industries to products and traded goods and services, offering a significant advancement in understanding and

leveraging the creative economy's potential, especially in developing countries.³⁷

The annex summarises UNCTAD's recent work on defining and measuring the creative economy.

A. UNCTAD's definition of the creative economy

UNCTAD defines creative industries as creation, production, and distribution cycles that leverage creativity and intellectual capital. These industries encompass knowledge-based activities focusing on culture and heritage, including tangible and intangible creative products with economic value. The creative economy is an evolving concept that drives economic growth, supports job creation, and fosters social inclusion and cultural diversity. It emphasises integrating economic, cultural, and social aspects with technology and intellectual property.

Despite rapid technological changes, the current definitions, established in the 2008 Creative Economy Report (UNCTAD and UNDP, 2008), remain relevant and applicable globally, as confirmed by UNCTAD's Informal Working Group on the Creative Economy. This definition is a comprehensive foundation for understanding and developing the creative economy across countries.

³⁷ Established in 2021, the informal working group deliberated on definitions, measurement frameworks, and case studies from both developed and developing nations. This section contains key elements of this work. For a comprehensive report of the work of the Working Group see UNCTAD, 2024, Advancing the measurement of the creative economy: A revised framework for creative industries and trade, UNCTAD/DITC/TSCE/2024/1.



UNCTAD definition of the creative industries

The creative industries:

- are the cycles of creation, production and distribution of goods and services that use creativity and intellectual capital as primary inputs;
- constitute a set of knowledge-based activities, focused on but not limited to arts, potentially generating revenues from trade and intellectual property rights;
- comprise tangible products and intangible intellectual or artistic services with creative content, economic value and market objectives;
- are at the cross-road among the artisan, services and industrial sectors; and
- constitute a new dynamic sector in world trade.

UNCTAD definition of the creative economy

The creative economy is an evolving concept based on creative assets potentially generating economic growth and development.

- It can foster income generation, job creation and export earnings while promoting social inclusion, cultural diversity and human development.
- It embraces economic, cultural and social aspects interacting with technology, intellectual property and tourism objectives.
- It is a set of knowledge-based economic activities with a development dimension and cross-cutting linkages at macro and micro levels to the overall economy.
- It is a feasible development option calling for innovative, multidisciplinary policy responses and interministerial action. At the heart of the creative economy are the creative industries.

Source: 2008 Creative Economy Report (UNCTAD and UNDP, 2008).

B. Updated measurement framework

UNCTAD's previous framework focused solely on international trade data for creative goods and services and faced challenges due to the lack of linkage between creative goods and services and creative industries and outdated creative product lists. To address these, UNCTAD has updated its framework to link creative industries (expressed with International Standard Industrial Classification of All Economic Activities or ISIC codes) and creative goods and services (expressed with Harmonized System or HS and Extended Balance of Payments Services Classification or EBOPS codes). The framework now better captures the creative economy's dynamics using the latest ISIC revision (Rev. 5) and HS 2022 classifications. This approach aims to provide countries with a tool for assessing their creative economy, its performance

in international trade, ensuring that the classification of creative industries remains relevant and comprehensive, in line with the evolving nature of the creative economy (UNCTAD, 2024c).

UNCTAD's creative goods and services cover a broad range of products. It includes a large group of industrially produced or handmade art crafts (i.e., carpets, wickerware, yarn products) and design products (i.e., interior design, fashion accessories, glassware, toys), recognising their cultural significance for many developing countries. It also covers software, research and development, and license-related services (i.e., to reproduce or distribute audiovisual or software products), as they involve significant intellectual capital, innovation, and the creation of new ideas or technologies. The Informal Working Group on the Creative Economy recommended retaining these essential items.



Table 10 developed from the UNCTAD-UNESCO proposal in Guidance Note 16: Clarification on Cultural Products Resulting from Creative Industries³⁸, as part of the Task Team on International Trade Statistics, categorises creative industries into ten main groups, ranging from advertising to research and development, based on global consultations. It aims to put international trade statistics for creative goods and services into context, highlighting industries that, while producing creative outputs, also manufacture non-creative products. This classification serves as a tool for countries to quantify the creative economy's economic impact, especially where specific definitions or methodologies are lacking, leveraging existing ISIC codes for comprehensive economic data collection.

UNCTAD's updated framework strengthens the connection between creative industries and international trade statistics. The framework categorises creative goods into seven industry groups (audiovisual, multimedia and photography; crafts and design goods; books and publishing; music, performing and visual arts; architecture; software, video games and recorded media; and cultural and natural heritage).

Three creative industry categories (i.e., advertising; design; and research and development) do not produce creative goods that would be traded internationally. Therefore, they are only accounted for in the global trade of creative services. UNCTAD's recent report (UNCTAD, 2024c) details the list of creative industries and corresponding creative goods and services.

The adjustments in statistical coverage for creative goods have not significantly altered the value of global trade in creative goods. No creative goods were removed, per recommendations from the UNCTAD Informal Working Group on the Creative Economy. UNCTAD added 33 new goods during the classification update. Additionally, the scope of trade in creative services has remained unchanged.

The framework aligns with the United Nations-wide efforts to harmonise the understanding of the cultural and creative economy. A recent UNCTAD pilot project in Angola and the UNCTAD report on *Mapping the cultural and creative industries in Angola* showed the framework's applicability and utility, offering a methodology that can be adapted and replicated in other developing countries (UNCTAD, 2023f).

³⁸ United Nations Committee of Experts on Business and Trade Statistics. Task Team on International Trade Statistics (TT-ITS), Guidance Note v.16 Clarification on Cultural Products Resulting from Creative Industries, 2023.





Table 10
Creative industries using ISIC Rev. 5

Creative industry group	ISIC Rev.5	ISIC Rev.5 description
Advertising and marketing	7310	Advertising activities
	7320	Market research and public opinion polling
Architecture	7110	Architectural and engineering, and related technical consultancy activities
Audiovisual, multimedia and photography	5911	Motion picture, video and television programme production activities
	5912	Motion picture, video and television programme post-production activities
	5913	Motion picture, video and television programme distribution activities
	5914	Motion picture projection activities
	6010	Radio broadcasting and audio distribution activities
	6020	Television programming and broadcasting and video distribution activities
	6031	News agency activities
	6039	Social network sites and other content distribution activities
Books and publishing	7420	Photographic activities
	4761	Retail sale of books, newspapers, stationery and office supplies
	5811	Publishing of books
	5812	Publishing of newspapers
	5813	Publishing of journals and periodicals
	5819	Other publishing activities
	7430	Translation and interpretation activities
Cultural and natural heritage	9111	Library activities
	5310*	Postal activities
	9112	Archives activities
	9121	Museum and collection activities
	9122	Historical site and monument activities
	9130	Conservation, restoration and other support activities for cultural heritage
Design: product, graphic and fashion design	9141	Botanical and zoological garden activities
	9142	Nature reserve activities
Manufacturing of crafts and design goods	7410	Specialised design activities
	1391	Manufacture of knitted and crocheted fabrics
	1393	Manufacture of carpets and rugs
	1629	Manufacture of other products of wood; manufacture of articles of cork, straw and plaiting materials
	2310	Manufacture of glass and glass products
	2393	Manufacture of other porcelain and ceramic products
	3211	Manufacture of jewellery and related articles
	3212	Manufacture of imitation jewellery and related articles
	1392*	Manufacture of made-up textile articles, except apparel
	1399*	Manufacture of other textiles n.e.c.
	1410*	Manufacture of wearing apparel, except fur apparel
	1420*	Manufacture of articles of fur
	1512*	Manufacture of luggage, handbags and the like, saddlery and harness of any material
	1701*	Manufacture of pulp, paper and paperboard



Creative industry group	ISIC Rev.5	ISIC Rev.5 description
Manufacturing of crafts and design goods	1709*	Manufacture of other articles of paper and paperboard
	2220*	Manufacture of plastics products
	2593*	Manufacture of cutlery, hand tools and general hardware
	2599*	Manufacture of other fabricated metal products n.e.c.
	2740*	Manufacture of lighting equipment
	2829*	Manufacture of other special-purpose machinery
	3101*	Manufacture of wooden furniture
	3102*	Manufacture of other furniture
	3240*	Manufacture of games and toys
	3250*	Manufacture of medical and dental instruments and supplies
	3290*	Other manufacturing n.e.c.
Music, performing and visual arts	1820	Reproduction of recorded media
	3220	Manufacture of musical instruments
	5920	Sound recording and music publishing activities
	8552	Cultural education
	9011	Literary creation and musical composition activities
	9012	Visual arts creation activities
	9013	Other arts creation activities
	9020	Activities of performing arts
	9031	Operation of arts facilities and sites
9039	Other support activities to arts creation and performing arts	
Software, video games, computer and web services	2619*	Manufacture of electronic components and boards n.e.c.
	2620*	Manufacture of computers and peripheral equipment
	2640*	Manufacture of consumer electronics
	5821	Publishing of video games
	5829	Other software publishing
	6211	Development of video games, video game software, and video game software tools
	6219	Other computer programming activities
	6220	Computer consultancy and computer facilities management activities
	6290	Other information technology and computer service activities
	6310	Computing infrastructure, data processing, hosting and related activities
6390	Web search portal activities and other information service activities	
Research and development	7210	Research and experimental development in natural sciences and engineering
	7220	Research and experimental development in social sciences and humanities
	7740	Leasing of intellectual property and similar products, except copyrighted works

Source: UNCTAD (2024).

Note: * Indicative list of industries contributing to manufacturing some creative goods. Handmade and artisanal goods or handicrafts are vital to the creative sector, especially in developing countries. However, there is no distinction between handmade and mass-produced goods in the Harmonised System. Certain industries produce art crafts, carpets, paperware, wickerware, yarn, fashion accessories, glassware, interior design goods, toys, etc., that are handmade and considered important creative goods. But, these industries also create other mass-produced goods that are not creative. Therefore, considering all related manufacturing industries as creative would result in an over-estimation of the sector. The table distinguishes creative industry groups and an "Indicative list of industries contributing to manufacturing some creative goods."

