Joint Event

SME COMPETITIVENESS

Team Yellow: Creative and cultural industries

Milano, 20.10.2017

Contents

CCI DEFINITIONs AND DATA

✓ Mapping cultural and creative industries and measuring their impact in a systematic and comparable way across Europe and the world remains a challenge, with **no shared definitions or metrics**

Three main sources:

✧ Unesco report 2015 – World

✧ Eurostat report 2016 – Europe

✧ Cultural and Creative Cities Monitor - Europe

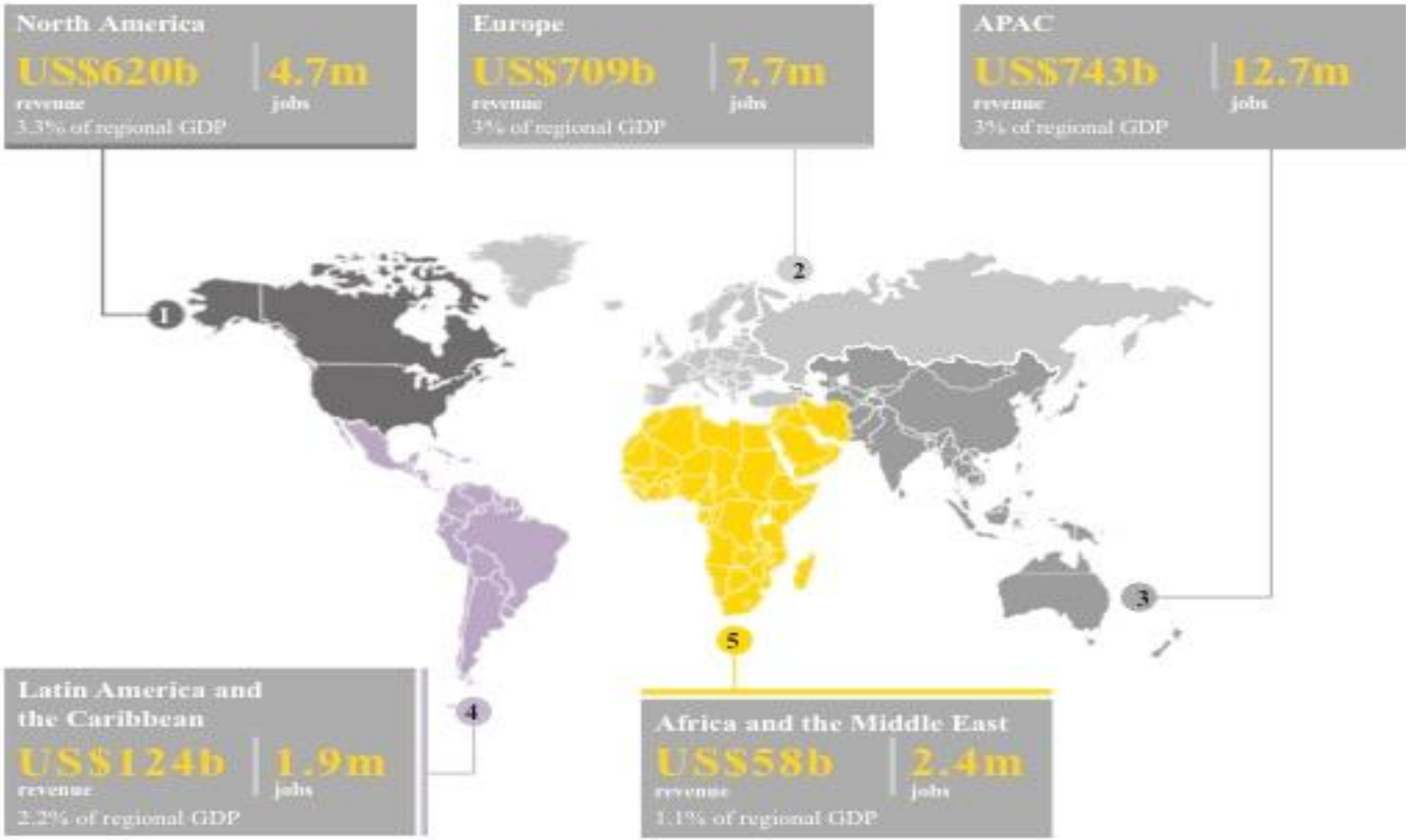
UNESCO

- ✓CCI analyzed in 11 sectors and 5 global regions
- ✓UNESCO defines cultural and creative industries as activities "whose principal purpose is production or reproduction, promotion, distribution or commercialization of **goods, services and activities of a cultural, artistic or heritage-related nature**."

CCI: a wide range of cultural and creative activities in 11 sectors

Advertising	**Music**	**Radio**
Architecture	**Movie**	**TV**
Books	**Newspapers and magazines**	**Visual arts & Design activities**
Gaming	**Performing Arts**	

Big in the north: CCI strongpoints**



Source: *Cultural times: the first global map of cultural and creative industries*, EY, 2015

** Rounded figures

Cultural and creative industries (CCI) generate:

- ✓US$2,250b of revenues
- ✓29.5 million jobs worldwide, 1% of the world's active population
- ✓CCI revenues worldwide exceed those of telecom services (US$ 1,570b globally)

The top three revenue

Television	**$477 b**
Visual art and design	**$ 391 b**
Newspaper and magazine	**$ 354 b**

The top three employers

Visual art and design	**6.73 m**
Books	**3,67 m**
Music	**3.98 m**

CCI by region: a complex and colorful canvas

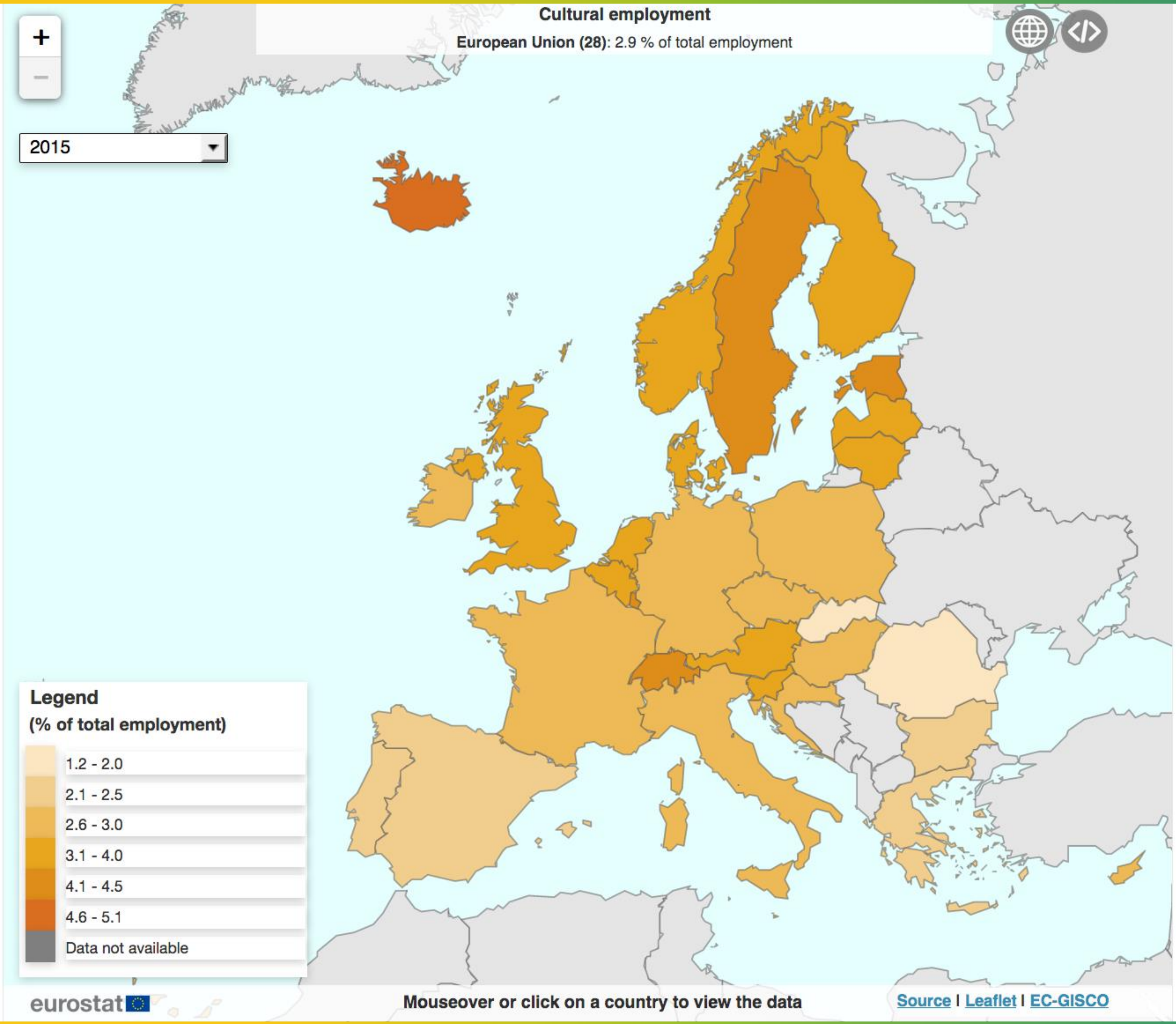
- **Asia-Pacific (APAC) is the world's biggest CCI market**, generating US$ 743 b of revenues (33% of global CCI) and 12.7 million jobs (43% of CCI jobs worldwide). The market has **the largest consumer base**.
- **Europe is the second-largest CCI market**, accounting for US$ 709 b of revenues (32% of the global total) and 7.7 million jobs (26% of all CCI jobs). Europe's cultural economy is rooted **in its history**: the region enjoys a unique concentration of heritage and arts institutions. Seven of the 10 most visited museums are European (three in Paris, two in London, two in Rome) and 30 of the 69 UNESCO "Creative Cities" are European.
- **North America is the third-largest CCI market** with revenues of US$620b (28% of global revenues) and 4.7 million jobs (16% of total jobs). The North American is the **largest market for TV** (US$182b), **movies** (US$28b) **and radio** (US$21b).

It is at the forefront of the **digital transformation**, with the largest number of consumers of digital cultural content [47% of digital distribution and revenues, ahead of Asia (25%) and Europe (24%)].

CCI by region: a complex and colorful canvas

• **The Latin American CCI** economy generates US$ 124 b in revenues (6% of CCI global market) and 1.9 million jobs (7% of total CCI jobs). Latin America and the Caribbean region possesses a rich **cultural and natural heritage**, with 131 sites inscribed on the World Heritage List, and many Latin American **writers** have achieved global acclaim. Multi-media conglomerates own a spread of **TV, radio and press interests**, capturing large audiences and producing distinctive TV programs.

• **Africa and the Middle East achieves** US$ 58 b in revenues (3% of the total) and 2.4 million jobs (8% of total CCI jobs). African **music** has been central to the development of popular music in North and South America and even Europe. Today,
African societies contain cultural riches that are bubbling up to embrace the opportunities offered by new technologies and commercial markets. Film production and viewing are now driving employment growth in the CCI, with striking successes
Yet, the African market is poorly structured and cultural goods are largely provided though the **informal economy**, which is believed to employ 547,500 people and generate US$4.2b in revenues.



EUROSTAT

- Eurostat adopt the methodology proposed by the
- European Statistical System (ESS) Network on Culture in the ESSnet-Culture final report (2012).

EUROSTAT

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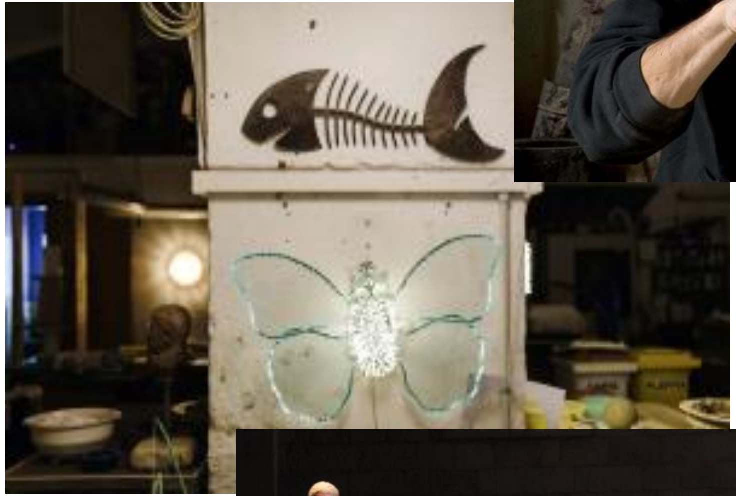
NACE Rev. 2 cultural codes	Description	SBS database (1)	BD database (2)
J58.11	Book publishing	X (3)	
J58.13	Publishing of newspapers	X (3)	
J58.14	Publishing of journals and periodicals	X (3)	
J58.21	Publishing of computer games	X (3)	
J59	Motion picture, video and television programme production, sound recording and music publishing activities	X	X
J60	Programming and broadcasting activities	X	X
J63.91	News agency activities	X (3)	
M71.11	Architectural activities	X (3)	
M74.1	Specialised design activities	X	X
R90	Creative, arts and entertainment activities		X (4)
R91	Libraries, archives, museums and other cultural activities		X (4)

EUROSTAT

- ✓In the EU, cultural market-oriented enterprises made up **6.4 % of all enterprises in total business economy services in 2013**

- ✓Around **675 000 cultural market-oriented enterprises** (covered by SBS) in the EU

- ✓The cultural sectors' **turnover was around EUR 300 billion**, which represented 5.3 % of the turnover of total services.



EUROSTAT

- **France and Ital**y were the only Member States with **over 100.000 cultural enterprises,** each accounting for 15 % of the EU total number of cultural enterprises.
- Together with **Germany** (73 000 enterprises) and **Spain** (68 000), these four countries represented **over half of the EU total**.
- United Kingdom accounted for 22.7 % of the turnover of EU cultural businesses.
- Together with Germany (20.8 %) and France (16.6 %), these **three countries generated 60 % of EU cultural turnover**.
- The **turnover of UK cultural businesses was highest as a proportion of total services**: 6.4 %, which is more than a percentage point higher than the EU average (5.3 %).

	(million EUR)	(% of total services)
EU-28	300 476	5.3
Belgium	8 143	4.4
Bulgaria	614	3.8
Czech Republic	2 712	3.8
Denmark	5 847	4.5
Germany	62 648	5.8
Estonia	:	:
Ireland	:	:
Greece	2 352	5.4
Spain	16 698	4.5
France	49 923	5.5
Croatia	856	5.5
Italy	27 865	5.1
Cyprus ([4])	167	2.2
Latvia ([5])	255	2.2
Lithuania	325	2.3
Luxembourg	:	:
Hungary	2 519	5.1
Malta	:	:
Netherlands	11 767	3.8
Austria	6 534	4.5
Poland	7 893	6.2
Portugal	2 305	3.8
Romania	1 360	3.6
Slovenia	649	4.3
Slovakia ([6])	709	2.7
Finland ([7])	3 287	4.3
Sweden	12 050	5.4
United Kingdom	68 082	6.4
Norway	7 233	4.7

EUROSTAT

	Cultural enterprises		Persons employed per enterprise	
	(number)	(% of total services)	in culture	in total services
EU-28	*676 488*	6.4	*3.2*	5.2
Belgium	25 010	8.4	1.9	4.1
Bulgaria	4 834	4.0	3.7	4.9
Czech Republic	20 198	5.3	1.7	2.8
Denmark	8 459	7.2	4.4	5.4
Germany	72 873	6.3	6.0	9.4
Estonia	1 672	5.3	:	4.8
Ireland	:	:	:	:
Greece	23 322	7.8	2.2	2.8
Spain	67 971	6.2	2.5	4.3
France	101 241	7.1	2.6	4.7
Croatia	3 479	5.3	4.5	5.3
Italy	102 636	6.4	2.0	3.4
Cyprus (4)	999	5.7	3.3	5.3
Latvia (5)	1 918	3.9	3.8	4.6
Lithuania	1 705	3.2	5.6	5.6
Luxembourg	1 053	5.7	:	6.3
Hungary	12 633	5.0	2.2	3.6
Malta	:	:	:	5.6
Netherlands	39 867	7.1	:	4.7
Austria	11 005	6.2	3.9	6.2
Poland	35 071	6.2	3.0	4.2
Portugal	15 134	3.8	2.1	2.9
Romania	8 621	5.3	4.6	7.1
Slovenia	4 531	7.3	2.0	3.1
Slovakia (6)	4 346	3.4	2.4	3.3
Finland (7)	6 092	5.2	4.4	5.0
Sweden	31 920	8.4	2.0	3.5
United Kingdom	62 357	6.2	6.0:	9.1
Norway	10 435	6.7	3.2	4.0
Switzerland	:	:	:	17.1
FYR of Macedonia	*759*	*4.1*	:	:

- ✓ Cultural enterprises employed close to **2.2 million people** (self-employed and employees), an average of **3 persons each**.
- ✓ the **United Kingdom and Germany**, where cultural enterprises were the largest in Europe, averaging around **six employed persons**
- ✓ **Lithuania** was the only Member State in which the average number of persons employed in cultural enterprises **approached that in total services.** In all other countries cultural enterprises tend to be smaller than in other sectors of activities.

EUROSTAT

- ✓ In 2013, EU **value added for cultural businesses was EUR 128 billion, or 5 % of total value added in total services**.
- ✓ Almost a third (31 %) of value added came from **publishing**, 21 % from **programming and broadcasting activities** and 20 % from ‘**motion picture, video and television programme production, sound recording and music publishing activities’** (hereafter referred to as ‘films, television and music’).

Value added in cultural sectors, EU-28, 2011–13 (million EUR)

Documento di Microsoft Word	2011	2012	2013
Culture related businesses	130 275	129 112	128 134
Publishing Total	41 954	41 073	40 072
– Book publishing	9 837	9 857	9 690
– Publishing of newspapers	15 954	14 849	14 477
– Publishing of journals and periodicals	14 957	15 029	14 255
– Publishing of computer games	1 206	1 337	1 649
Motion picture, video and television programme production, sound recording and music publishing activities (1)	24 910	*25 500*	25 507
– Motion picture, video and television programme activities	:	22 195	21 595
– Sound recording and music publishing activities (1)	:	*3 300*	3 912
Programming and broadcasting activities	28 192	27 097	26 897
– Radio broadcasting	4 516	4 575	4 375
– Television programming and broadcasting activities	23 677	22 522	22 522
News agency activities	3 935	3 528	3 327
Architectural activities	22 472	22 452	22 232
Specialised design activities	8 813	9 462	10 099

Source: Eurostat

Between 2011 and 2013, value added generated by cultural enterprises

EUROSTAT

Cultural employment

	2011		2014	
	1 000 persons	% of total employment	1 000 persons	% of total employment
EU-28	6 040	2.8	6 273	2.9
Belgium	127	2.8	142	3.1
Bulgaria	62	2.1	64	2.1
Czech Republic	131	2.7	148	3.0
Denmark	100	3.7	104	3.8
Germany (¹)	1 244	3.2	1 183	3.0
Estonia	23	3.9	22	3.4
Ireland	49	2.6	51	2.7
Greece	87	2.1	81	2.3
Spain	398	2.2	429	2.5
France (¹)	733	2.8	714	2.8
Croatia	40	2.5	42	2.7
Italy	592	2.6	602	2.7
Cyprus	9	2.3	9	2.4
Latvia	25	2.9	29	3.2
Lithuania	37	3.0	42	3.2
Luxembourg	10	4.4	13	5.2
Hungary	109	2.9	111	2.7
Malta	49	2.6	5	2.9
Netherlands (¹)	295	3.5	322	3.9
Austria	124	3.1	127	3.1
Poland	366	2.3	402	2.5
Portugal	93	2.0	101	2.2
Romania	92	1.1	99	1.1
Slovenia	31	3.3	33	3.6
Slovakia	46	2.0	48	2.0
Finland	102	4.1	96	3.9
Sweden	186	4.0	194	4.1
United Kingdom	924	3.2	1 062	3.5
Iceland	7	4.3	8	4.7
Norway	89	3.5	88	3.4
Switzerland	165	3.8	179	3.9

- Cultural SMEs play **a massive role in creating employment** in both sectors for which data are available
- over 315 000 people in films, TV and music (78 % of the workforce in that sector)
- 233 000 in specialised design activities (98 %).
- These figures are significantly higher than those for total services, where SMEs generated two out of every three jobs in 2013.
- **In 2014 there were 230 000 more (+ 4 %) cultural jobs in the EU than in 2011, showing an annual average growth rate (AAGR) of + 1.3 %**

Culture and Creative City Monitor

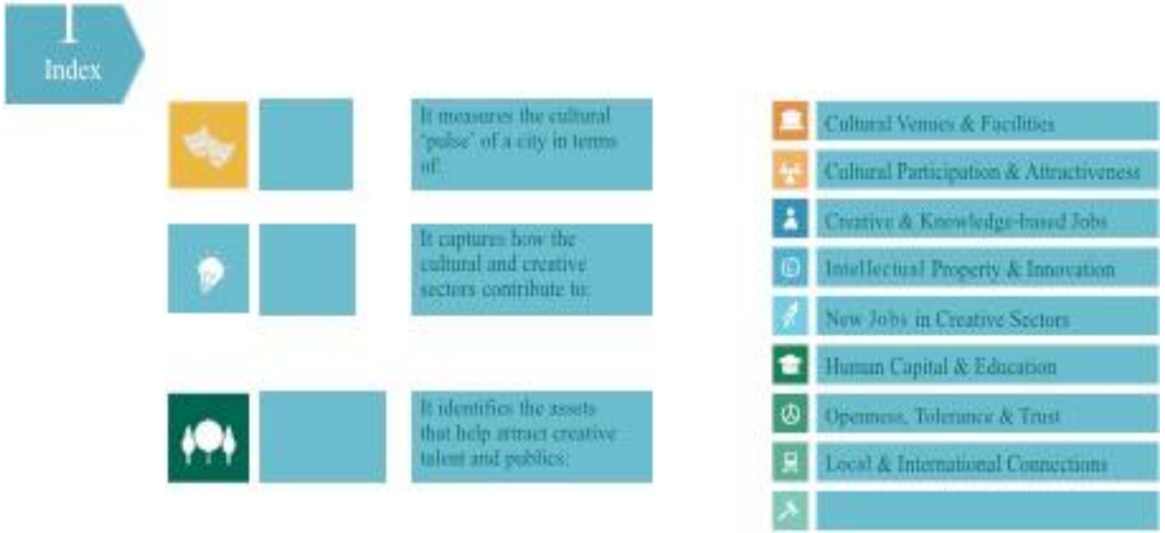
It provides a **common evidence base on culture and creativity at city level** to:

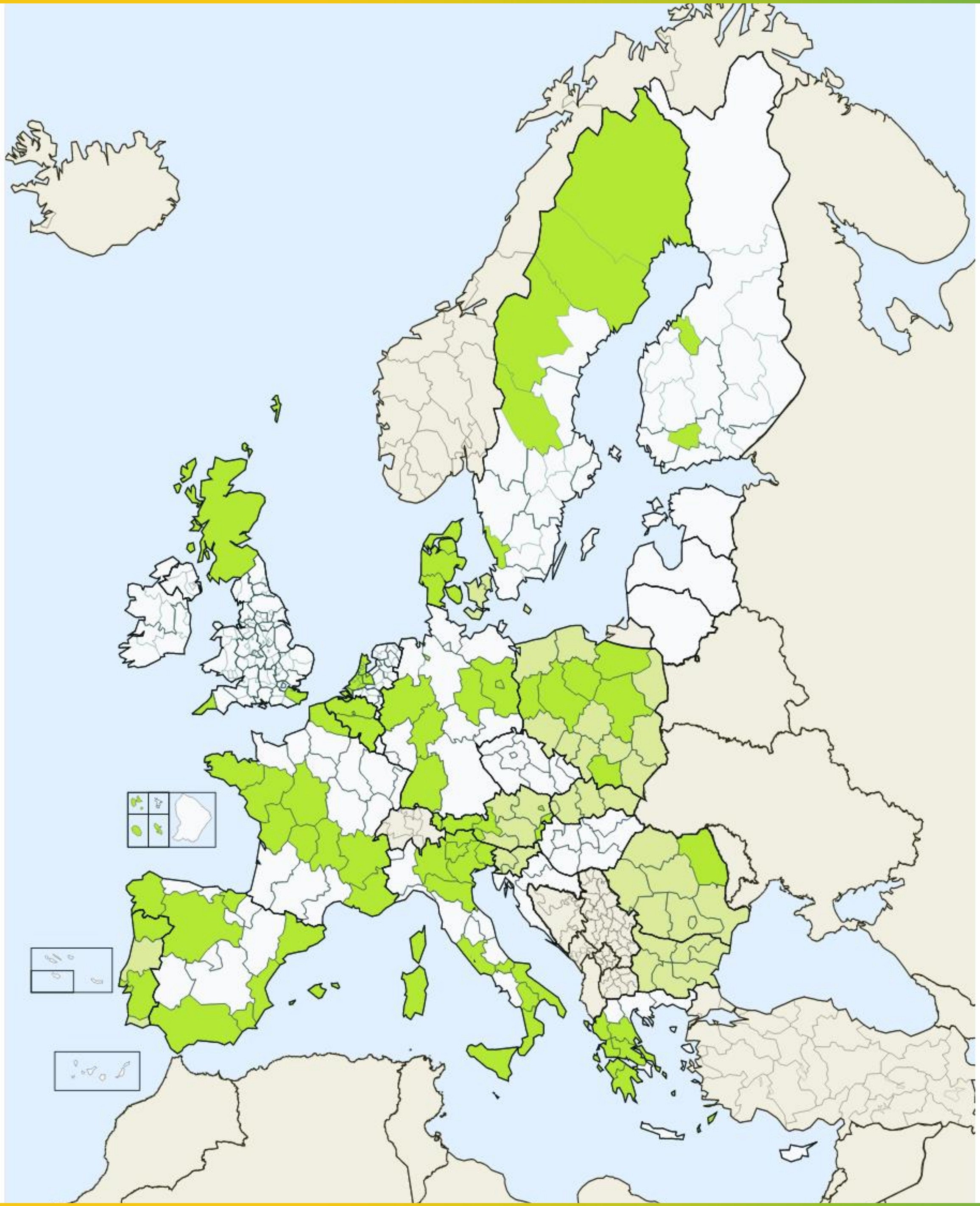
- **Support policy makers in identifying** strengths, benchmarking their city against peers and learning from them, and assessing the impact of their policies;
- **Highlight and communicate the importance of culture and creativity** in improving socio-economic perspectives and resilience;
- **Inspire new research and approaches** to studying the role of culture and creativity in cities.

Culture and Creative City Monitor

168 ‘Cultural and Creative Cities' in Europe
29 indicators relevant to nine dimensions
three major facets of cities' cultural, social and economic vitality:

- **Cultural vibrancy**: the cultural ‘pulse' of a city in terms of cultural infrastructure and participation
- **Creative economy:** how the cultural and creative sectors contribute to a city's employment, job creation and innovative capacity;
- **Enabling environment**: the tangible and intangible assets that help cities attract creative talent and stimulate cultural engagement.





CCI in S3

106 entries in the S3 Database:

- 9 Member States with a **national CCI priority** (AT, BG, DK, MT, PL, PT, RO, SI, SK)
- 9 Member States **without any CCI priority**, even at regional level (CY, CZ, EE, HR, HU, IE, LT, LU, LV)
- **10 Member States with regional CCI priorities** (BE, DE, EL, ES, FR, IT, NE, FI, SE, UK)

Source: EYE@RIS3,
http://s3platform.jrc.ec.europa.eu/

EU Countries with Encoded S3 Priorities
EU Regions with Encoded S3 Priorities
Non-EU Countries with Encoded R&I Priorities
Non-EU Regions with Encoded R&I Priorities

CCI impacts overview

- ✓ **Cultural and creative content drives the digital economy**
  CCI are a locomotive of the online economy contributing US$200b to global digital sales in 2013.
- ✓ **Cultural production is young, inclusive and entrepreneurial**
  In Europe, CCI sectors typically employed more people aged 15–29 years than any other sector.
- ✓ **Creative industries also tend to favor the participation of women**
  compared with more traditional industries. In UK women accounted for more than 50% of people employed in the music industry in 2014
- ✓ **Creation is driven by small businesses or individuals,** giving rise to agile and innovative employers.
- ✓ **Culture boosts cities' attractiveness, it is a catalyst for urban development**

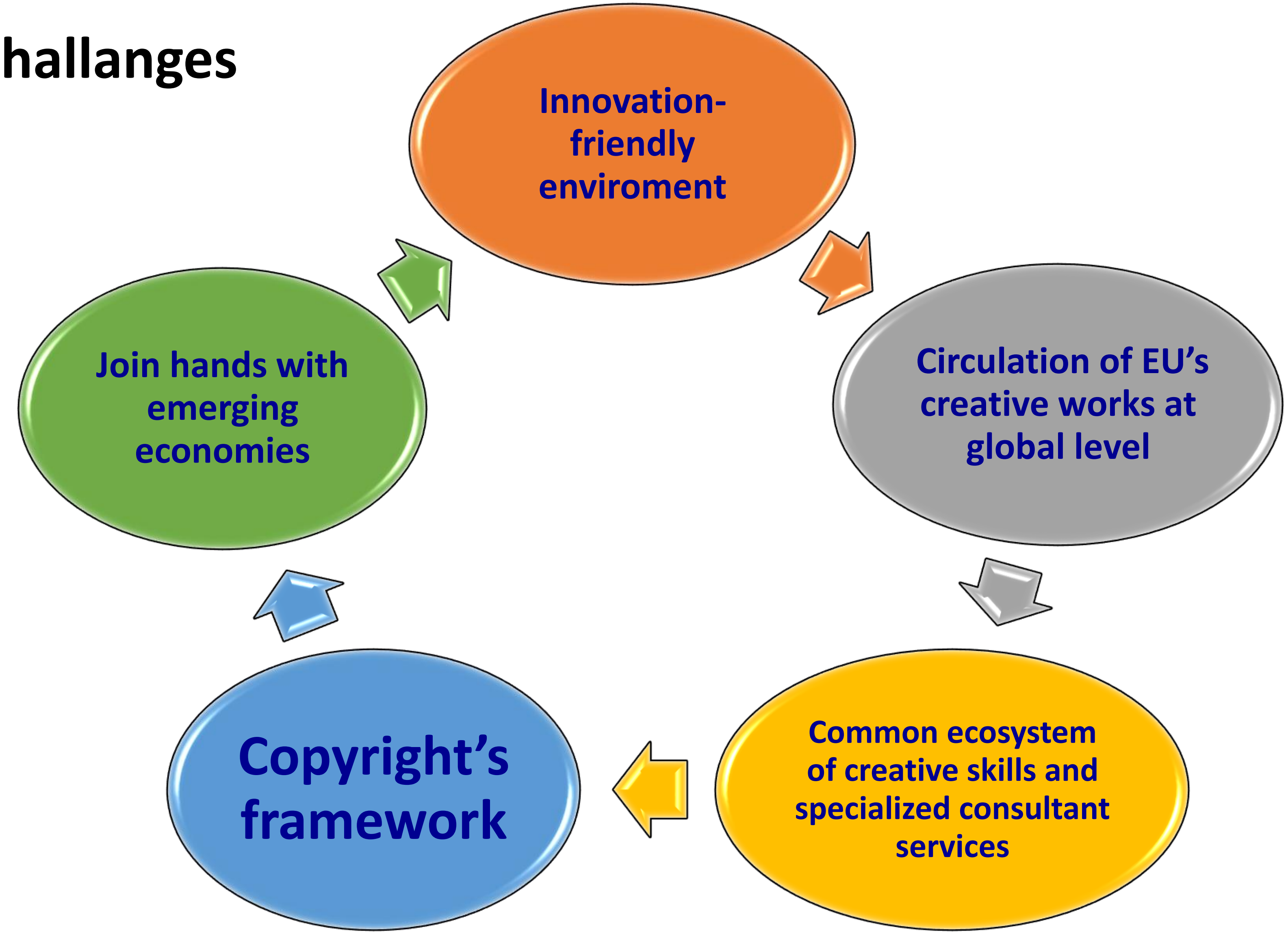
- offering opportunities to engage in large urban development projects and to develop a new "city brand" around CCIs,
- boosting a city's attractiveness for tourists, talent and highly skilled workers.
- building a local identity and find fulfillment.

CCI gaps overview

- **The creative economy in Europe is underpinned by strong public support** Before the 2008 financial crisis, public spending on cultural services was growing by 5% a year; since then, it has fallen by 1% annually on average.
- **A mature market with weak growth in private consumption (0.6%),** European CCI need to find new ways to grow.
- **Micro average size of the CCI enterprise** (3 employees average)
- **High mortality rates** (55% after 5 years according to Eurostat, 2009-14) and low propensity to grow in size and internationalize
- **Problematic access to ordinary finance** (e.g. private banking and venture capital)
- Difficult acquisition of **skilled resources**, hard matchmaking, lack of specialized consultant services
- **Limited protection of Intellectual Property Right** from the existing framework
- **Discontinuous employment patterns**, different solutions have been tested across Member States. All the options merit further exploration.

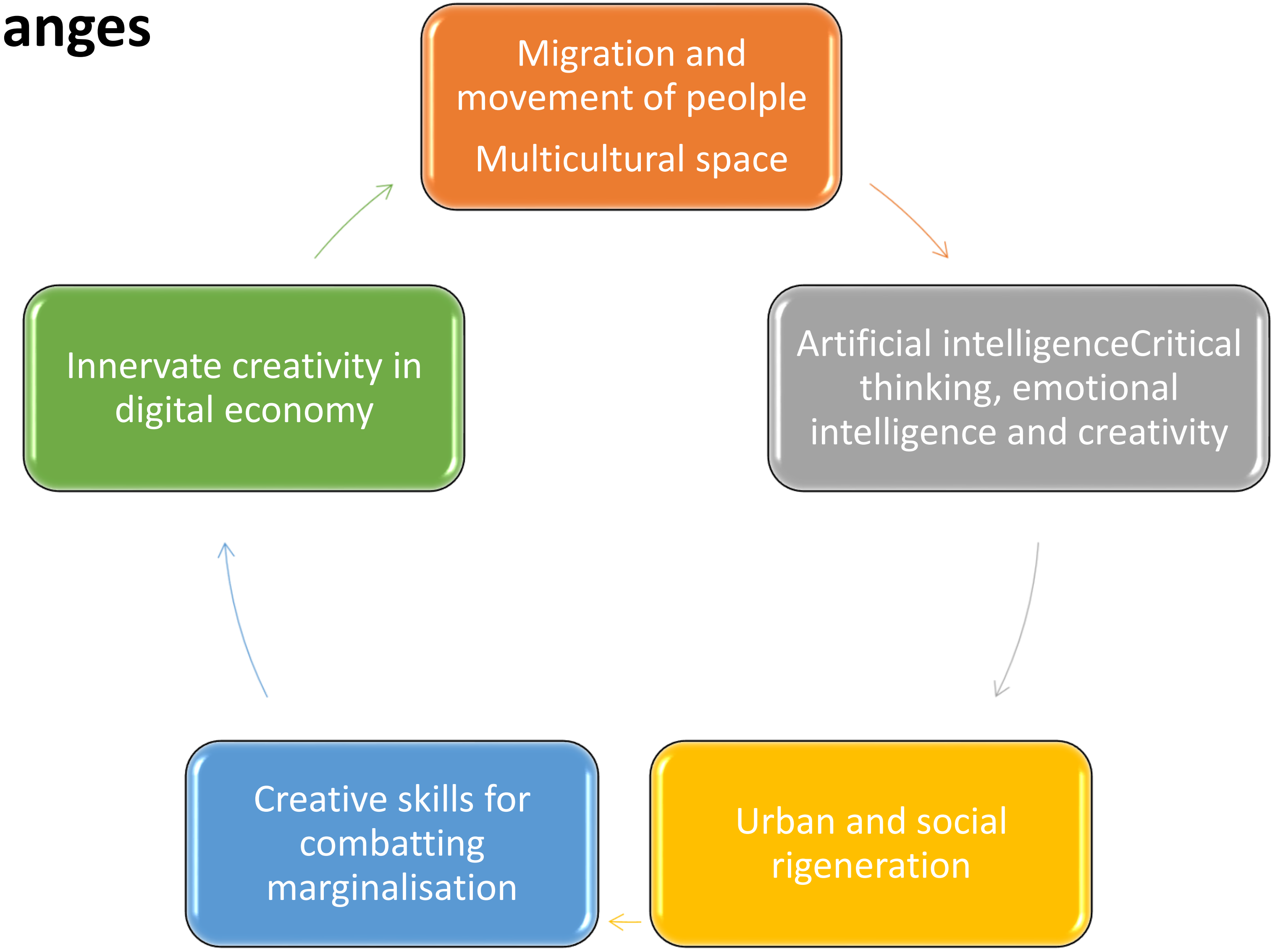
CCI’s challenges

Endogenous challanges



CCI’s challenges

External challanges



THANK YOU

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Interreg Europe

European Union | European Regional Development Fund

SME competitiveness

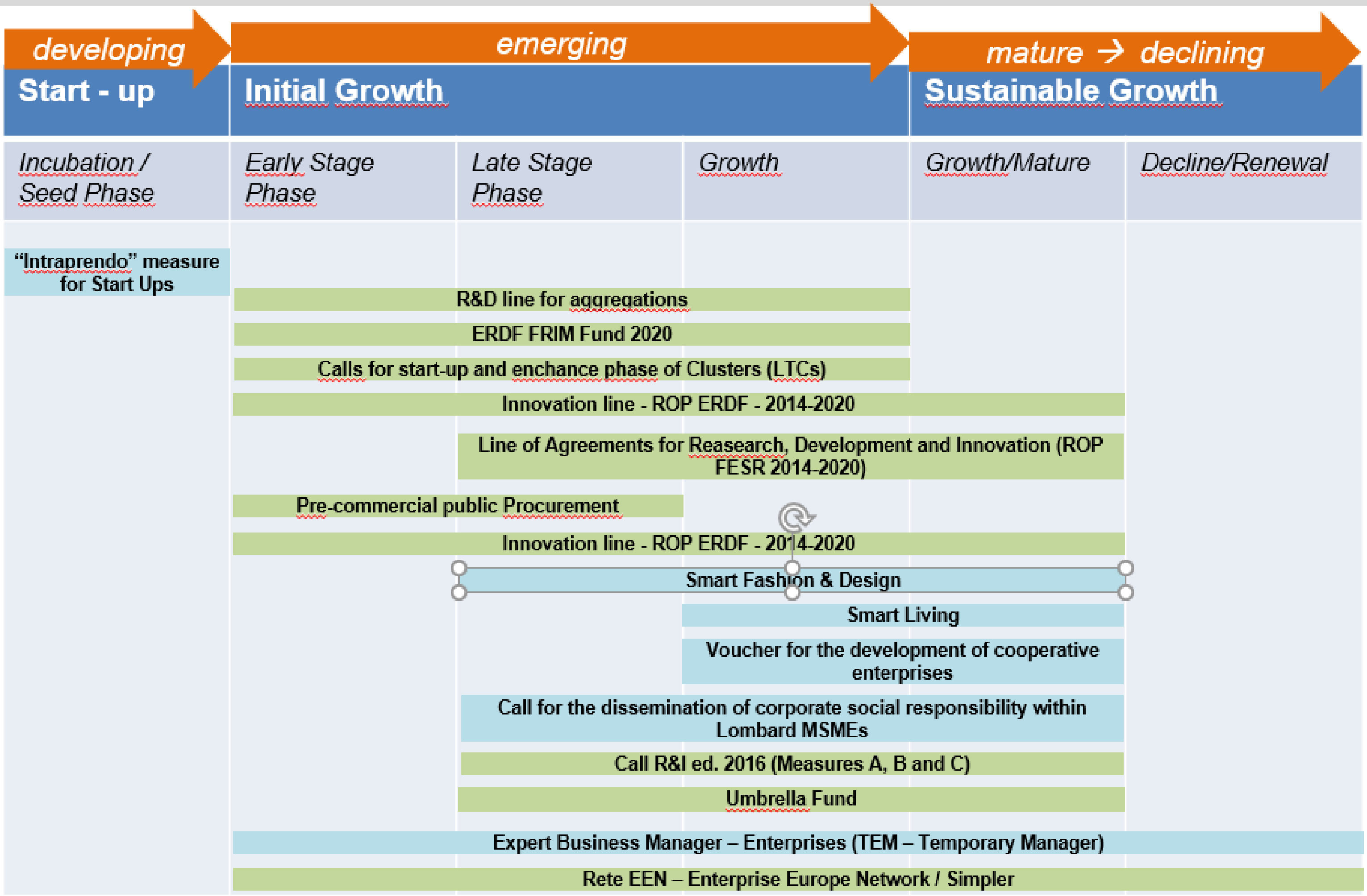
Creative and cultural industries

Alessandro Chiesa
Finlombarda SpA

Policy Learning event on R&I and SME competitiveness
Milan, 20 October 2017

- 23,844 square kilometers
- 11 provinces / 1,523 municipalities
- 9,600,000 people
- 800,000 SMEs (45,000 with 10+ employees)
- 1,100 LEs
- 20% of the national GDP
- Milan is the second largest city and the largest metropolitan area in Italy (pop. 3,000,000 approx.)
- 20% of Italian innovative start-ups

Policy Mix 2016



Regione Lombardia

GENERAL DEPARTMENT
for Economic Development

Activities and Offices:

1. Commerce, distribution networks, programming, exhibitions and consumer protection
2. Advanced tertiary, fashion, design and tourism
3. Transversal projects and attractiveness of integrated land
4. Competitiveness, development and access to credit for businesses

Overall mission:

- Creation of a conducive environment for all Lombard companies in the various fields of activity.
- Promotion of growth and competitiveness through the development of business and tourism industry, in a logic of integrated attractiveness of the territory and promotion of excellence.

Regione Lombardia

DEPARTMENT
Advanced Tertiary, Tourism, Fashion, and Design

- Promotion of the Lombard system of professions related to fashion, design and qualification of human resources in the tourism sector

- Preparation and implementation of co-financing measures for the development of fashion and design sector

- Support to the development of the tertiary industry enterprise networks for the promotion of integrated fashion fields, design and tourism

- Coordination of initiatives/events aimed at enhancing the sectors of fashion and design

Regional Development Programme -> enhancement and protection of the cultural territory through greater integration between the policies of culture, industry, tourism, education, training and employment-oriented to enrich the cultural offer

Operational Regional Programme ERDF 2014/2020 -> creation of enterprises in emerging sectors (i.e. cultural and creative sector).

Action Plan for Fashion and Design -> support creativity through an articulated and synergistic initiatives for the fashion and design

- Creativity events and places
- Creativity and Digital
- Creativity and Commerce
- Creativity and Production

Total budget 2014-2018: 40 M€

Objectives:

- to tackle the challenge of digitalization, also through the creation of networks among the different subjects;
- to support creative jobs, paying specific attention at the education of the new generations and their closeness to business;
- to promote the standing of Lombardy for excellence in fashion and design, thus fostering the business and tourism attractiveness.

«BANDO MODA E DIGITALE»

The call granted 43 innovative projects focusing on the development of advanced digital services for fashion industry, through the cooperation among companies and digital services' providers.

Total budget: 1.1 M€

NEXT DESIGN INNOVATION

Pre-incubation of 15 young talents for the realization of innovative combinations of design and technologies/processes.

Total budget: 0.3 M€

DIGITAL AWARD 2017 (3rd edition, on going)

Competition among projects aimed at showing the courage to tackle the change in fashion and design industry through the digital innovation.

SMART FASHION AND DESIGN

The call claimed to experimental projects with concrete achievements within fashion industry and/or design, presented by partnerships of at least 2 SMEs in cooperation with (at least) 1 Large Enterprise or 1 Research Centre.

Projects proposals have to comply with the topics listed in the biennial *Work Programmes on Research and Innovation* reporting the technological roadmaps for the following Specialisation Areas of Lombard RIS3:

- Eco-Industry
- Creative and Cultural Industries
- Health Industry
- Advanced Manufacturing
- Sustainable Mobility

and the transversal theme Smart Cities and Communities

Total budget 32.000.000 €
Min investment: 200.000 €
Co-funding rate: 40%
Max grant: 800.000 €

55 projects granted

SPECIALISATION AREA	#
Eco-Industry	3
Creative and Cultural industries	**15**
Health Industry	7
Advanced Manufacturing	24
Sustainable Mobility	5
Smart Cities and Communities	1
TOT	**55**

Partner	#	Investment	Grant
SMEs	**129**	€ 44.751.743,55	€ 18.019.493,76
Large Enterprises	**18**	€ 6.165.294,32	€ 2.389.996,50
Research Centres	**45**	€ 12.367.409,26	€ 4.922.457,79
TOT	**192**	€ 63.284.447,13	€ 25.331.948,05

Main topics matched

ICC4.2 Development of innovative wearable technologies to meet new demands in the fashion, sport, fitness and personal protection sector
e.g.: smart textiles for monitoring sport activities/sleep/pregnancy

ICC4.3 Development of innovative technological and service platforms to support and encourage connection and integration of, for example, competencies and creative, cultural, social and ICT capacities, belonging to a plurality of different parties to encourage the creative process
e.g.: e-dummy

ICC5.1 Development of innovative technologies and/or ICT applications to support use of Cultural Heritage
e.g.: indoor real time documentation and navigation for architectural and landscape design

ICC5.2 Development of innovative technologies and/or ICT applications to support immersive, interactive, proactive use in access to creative, cultural and media content
e.g.: smart bricks, digitalization of fashion heritage, open platforms for the fashion system

ICC5.3 Development of innovative technologies and/or ICT applications to support tourist use
e.g.: web portals, apps, …

MA1.2 Development of technologies and production processes of innovative materials with high mechanical and functional properties
e.g.: multi-purpose textiles, smart packaging

MA4.1 Development of ICT technologies and/or solutions for the design and production of custom solutions through the automatic acquisition of individual data
e.g.: 3D modeling for shoemakers, virtual clothes meter

Thank you!

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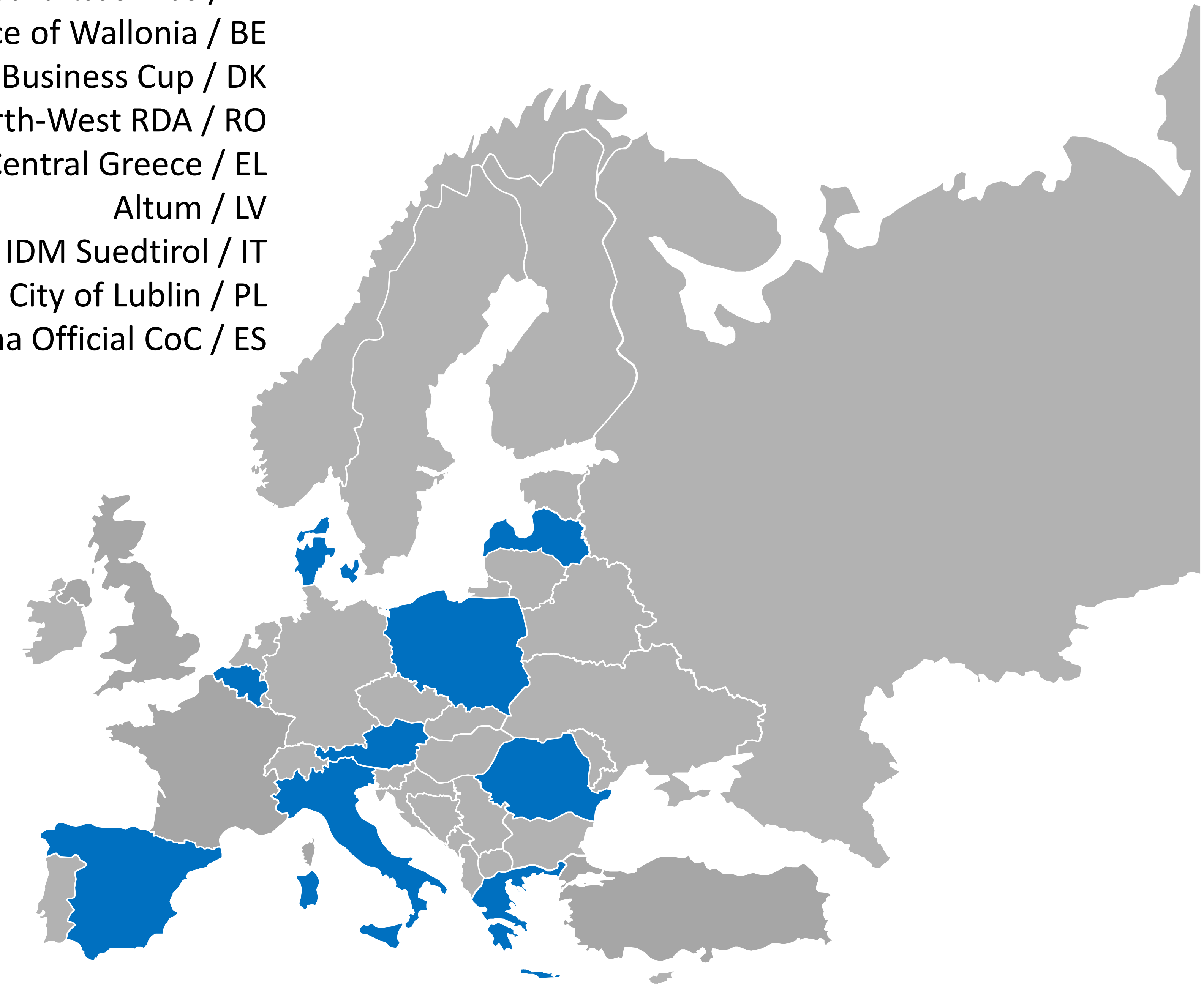
Finlombarda

Regi
Eur


RCIA
Interreg Europe
RCIA strives to create a modern business ecosystem using the transformative power of creative SMEs as a key competitiveness factor for boosting the overall regional economy.

Austria Wirtschaftsservice / AT
Public Service of Wallonia / BE
Creative Business Cup / DK
North-West RDA / RO
Region of Central Greece / EL
Altum / LV
IDM Suedtirol / IT
City of Lublin / PL
Barcelona Official CoC / ES



RCIA –
What we want to do

(1) strengthen the creative SMEs competitiveness by improving their skills to support their growth on global markets

(2) adapt various funding mechanisms to the particularities of CCI

(3) positioning Cultural and Creative Industries (CCI) as "**the missing link**" **throughout sectors** and disciplines regarding **innovation** and **competitiveness**

(4) increase the awareness of the companies from the **wider economy** on the **transformative power** (added-value) **of creative SMEs** for their own competitiveness

Objectives & challenges

- AT: Enhance stronger interaction between **CCI & old economy**
- BE: improve **Creative Hubs** policy instrument
- RO: generate more **business support structures**
- GR: **promote CCI activities** to a central position within **SME competitivness strategy**
- LV: improve **financial accessibility** for CCI
- IT: development of **ecosystem** supporting CCI
- PL: formulating new **guidelines** to support CCI
- ES: New collaborations, **improved governance** & new support instruments

RCIA
Interreg Europe

European Union
European Regional
Development Fund

www.interregeurope.eu/rcia

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Questions welcome

Project media