

UK's creative industries are an export success story
New report shows creative strength despite Brexit and Covid

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Today, new research has been published showing that the UK's creative service exports continued to rise over the 2010 – 2021 period despite the headwinds from Brexit and the Covid-19 pandemic. The report confirms the UK's creative industries are an export success story but warns against complacency, as the findings suggest there is increased global competition from markets such as China.

'UK Trade in a Global Creative Economy' will be launched at an online event at **12 noon on Wednesday 20 March** and is part of the Creative Industries Policy and Evidence Centre's (Creative PEC's) new 'State of the Nations' series. It uses the latest data and new analysis to provide regular reporting on the creative industries sector across all four nations.

Tendai Chetse, Head of Creative Industries, Department for Business and Trade, said:

“At the Department for Business and Trade we are delighted to welcome this new report showing the UK's creative industries are an export success story. We are pleased to see growth across multiple creative sectors from creative services to the continued success of UK gaming sector as a significant exporter which is certainly something to celebrate. Thanks to the rigorous research from the Creative PEC spanning several years, we have a wealth of new evidence and data to inform policy choices that will support economic growth in the sector. The research however also indicates there is no room for complacency, and we look forward to reviewing the findings to understand where the UK is facing competition from emerging markets and opportunities for growth.”

Report author, Dr Sara Maioli, Senior Lecturer in Economics, Newcastle University Business School said:

“Today's findings are a good news story for the UK's creative industries. However, with increasing digitalisation of the economy and the increasing share of digitally delivered services we must improve our statistical capabilities to have a more accurate understanding of the scale of this trade. Our report emphasises the importance of UK trade policymakers

negotiating digital agreements within existing and new trade agreements to future-proof international market access against this rapid technological change.”

While creative service exports are robust and growing - and represented 14% of all UK services exports in 2021 (the most recent year data is available) - the outlook for creative goods exports is stagnant and shows large drops in 2016 and 2020, with no sign of recovery in 2021, when creative goods fell to below 3% of total UK goods exports.

Experimental data analysis included in the report suggests UK export growth in the video games sector accelerated during the pandemic, reaching a level in 2021 around 2.5 times greater than in 2016. According to today’s research, the UK appears to be the fourth largest exporter of video games in the world, with the US in pole position.

Caroline Rush CBE, Chief Executive of the British Fashion Council and Chair of the Creative Industries Trade and Investment Board, said:

“British Fashion Council members depend on international markets to deliver growth and opportunity to UK designers. We are therefore delighted to welcome this new report showing the UK’s creative industries are an export success story. The research, however, indicates there is no room for complacency and highlights the UK is facing growing competition from emerging markets. The British Fashion Council believes there is need for a clear trade and export strategy for the creative industries, endorsed by the sector and government. I look forward to working with CITIB members and DBT, to digest the findings in the report, to help us achieve our shared objectives.”

Hasan Bakhshi, Professor of Economics of the Creative Industries, Newcastle University and Director, Creative PEC said:

“As the UK re-orientates itself in global markets having left the European Union, understanding the nature of export growth opportunities and barriers is an obvious priority for policymakers. Yet, international trade is one of the areas of creative industries policy where data and analysis has been most lacking. Our report for the first time brings together for the UK the different sources of data that are available, and identifies priorities for future data collection”. The report findings will be presented at an online launch event on Wednesday 20 March. Dr Maioli and Professor Fazio will discuss the findings and invite comment from a panel of creative industries experts: Caroline Rush CBE, CEO of the British Fashion Council, Dr Jo Twist OBE, CEO of the British Phonographic Industry (BPI) and Richard Kneller, Professor of Economics at the Nottingham Globalisation Centre (GEP).

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The report **UK Trade in a Global Creative Economy** is published by the Creative Industries Policy and Evidence Centre, which is led by Newcastle University with the Royal Society of Arts and funded by the Arts and Humanities Research Council. The report authors are Professor Giorgio Fazio, Dr Jonathan Jones, Dr Sara Maioli and Daniel Simandjuntak.

Report download: https://pec.ac.uk/state_of_the_nation/uk-trade-in-a-global-creative-economy/ (from 00.01 Wednesday 20 March 2024, UK time)

The research team and spokespeople for the Creative PEC are available for comment and interview.

Press contacts

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Notes to editors

1. State of the Nations reports

The report is the second in the Creative PEC's new 'State of the Nations' series, which uses the latest data to inform policymakers on how best to support the creative sector across four thematic areas. Regular reports on each area will be published annually over the five years of the Arts and Humanities Research Council (AHRC) funding period. The following reports will be launched as follows:

- Arts, Culture and Heritage Sectors (Sheffield University) May 2024
- Education, Skills and Talent (Work Advance) July 2024

2. About the Creative Industries Policy and Evidence Centre (Creative PEC)

Creative PEC works to support growth of the UK's Creative Industries through the production of independent and authoritative evidence and policy advice. Led by Newcastle University with the Royal Society of Arts and funded by the Arts and Humanities Research Council, the Centre comprises a core consortium of; Newcastle University, Work Advance, Sussex University and the University of Sheffield. The PEC works with a diverse range of industry partners.

For more details, visit <http://www.pec.ac.uk> and @CreativePEC

3. “ **UK Trade in a Global Creative Economy**” was designed by Mike Green at Green Doe Graphic Design