

State of the Nations
research series

WILL THE CREATIVE EXPORTERS PLEASE STAND UP?

RECENT EXPORT TRENDS AND FEATURES
OF EXPORTING CREATIVE MICRO, SMALL
AND MEDIUM-SIZED ENTERPRISES

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Dr Daniel Simandjuntak, Professor Giorgio Fazio,
Dr Jonathan Jones, Dr Sara Maioli
(Newcastle University Business School)

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**Creative Industries
Policy and
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The Creative Industries Policy and Evidence Centre (Creative PEC) works to support the 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, Creative PEC comprises a core consortium of Newcastle University, Work Advance, the University of Sussex and the University of Sheffield.

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Creative PEC's State of the Nations research series analyses the latest data across four thematic areas to inform the development of policies relating to the creative industries. Their scope is the whole of the United Kingdom, and wherever possible data is presented for all the nations and regions. Regular reports on each area will be published annually over the five years of the Arts and Humanities Research Council (AHRC) funding. The themes and corresponding Research Partners are:

- R&D, Innovation and Clusters (University of Sussex)
- Internationalisation (Newcastle University)
- Arts, Culture and Heritage Sectors (University of Sheffield)
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Authors

Dr Daniel Simandjuntak,
Research Associate, Creative PEC and Newcastle University Business School

Professor Giorgio Fazio,
Research Director at Creative PEC and Chair of Macroeconomics at Newcastle University Business School

Dr Jonathan Jones,
Senior Lecturer in Economics, Creative PEC and Newcastle University Business School

Dr Sara Maioli,
Reader in Economics, Creative PEC and Newcastle University Business School

Editorial board

Hasan Bakhshi, Tom Cahill-Jones, Nik Gunn, Bernard Hay, Sarah Najm (Chair)

Report production management

Emily Bullock

Report design

Mike Green, Green Doe Graphic Design Ltd.

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Contents

Foreword	4
Executive summary	5
1 Background	12
1.1 Motivation and context	12
1.2 Overview	14
2 Recent macro-sectoral and sub-sectoral trends in UK creative exports	15
2.1 Sectoral and sub-sectoral evidence	15
2.2 Priority export markets	19
3 Profiling the creative exporters	23
3.1 Export patterns	24
3.2 Who are the creative exporters	31
3.2 Multivariate analysis	42
4 Conclusions	43
4.1 Summary	43
4.2 Policy considerations	45
4.3 Future research	46
Glossary	47
References	48
Data reference list	50
Data statement	50

Foreword

The creative industries are one of the UK's great unsung export success stories, accounting for around 12.7% of services exports and 2.4% of goods exports.

Significant global opportunities could grow these figures further: the rise of the middle class in Asia (especially China), Africa and Latin America will lead to what some describe as a global dematerialising of consumption, in which cultural goods and services will be front and centre. At the same time, intensifying competition will place an even greater premium on business services like design and branding, where the UK also has strengths.

For these reasons and more, governments in the UK at national and devolved levels are identifying faster growth in creative exports as a top priority. Meeting this will require policymakers to devise measures to help exporting creative businesses to export more and encourage more creative businesses to

become exporters which, in turn, needs high-quality, company-level data analysis.

This is what we set out to do in this State of the Nations report. After presenting an overview of the latest official creative industries trade statistics, we use micro data sourced from the SME Finance Monitor, a nationally representative survey of micro, small and medium-sized enterprises to examine in depth – and, in many cases, for the very first time – the differences between exporting and non-exporting creative industries businesses. We'd love to hear what you think about our findings.

**Professor Hasan Bakhshi,
Director, Creative PEC**

Executive summary

This report provides a bird's eye view of the UK's creative exports before zooming in to examine, in detail, the profiles of exporters from an important segment of the creative industries: micro, small and medium-sized enterprises (MSMEs).

Creative trade has come to the forefront of the UK government's growth priorities, being a core part of the Creative Industries Sector Plan (the Sector Plan), new Trade Strategy and the UK Small Business Strategy (Department for Business and Trade (DBT) and Department for Culture, Media and Sport (DCMS), 2025; DBT, 2025a, 2025b, 2025c). The government's ambition to make the UK the leading global hub for creative industries trade and investment is set against a backdrop of heightened global trade uncertainty, most recently associated with the US's stop-start approach to tariffs under the Trump administration. With deep questions being raised about the future direction of globalisation, the challenge of growing exports looms large. The creative industries and their MSMEs, whose export ambitions may be outstripped by their capacity, may require sector-specific support – which must be informed by good evidence.

Growing creative trade means expanding the pool of creative exporters as well as enhancing the ability of existing exporters to export further. For some years, Creative PEC has been reporting on macroeconomic trends in creative international trade (Fazio et al, 2024; Di Novo et al, 2020), but much less is known about exporter versus non-exporter characteristics within the sector or about the nature of

barriers to exporting. The positive link between innovation and exporting, well documented in other industries, also remains underexplored in the creative industries (exceptions are Di Novo et al, 2021 and Tether and Yu, 2022). Even less is known, however, about the specific characteristics of creative exporters in comparison with exporters in the rest of the economy.

To address the evidence gaps, we need to understand the profile of creative industries firms that already export in comparison with those that do not. This report examines this using firm-level data, particularly from the SME Finance Monitor (SMEFM), a nationally representative survey of SMEs including microenterprises. This data provides insights on a consistent basis over time into financing, innovation and exports, as well as detailed information on business demographics.

Building on previous research, our report updates the evidence base on creative exports in two ways. First, it uses official statistics from DCMS Sector Economic Estimates (DCMS, 2025) to provide an update on recent export trends between 2018 and 2023 in goods and services from what was last reported by Fazio et al (2024), including a focus on priority international markets defined in the UK's Trade Strategy.¹

1. The creative industries priority markets are made up of primary priority markets (Australia, China, EU, Gulf Cooperation Council (GCC), India, Japan, North America) and future growth priority markets (Brazil, Central Asia, Nigeria, Association of Southeast Asian Nations (ASEAN), South Korea).

Thanks to the information provided by the SMEFM, and using unconditional proportion tests across samples, the report compares exporters in and outside the creative industries around a large set of characteristics. These include: demographics (sub-sector, region, gender of owners, age of owners, ethnicity of owners, age of the business, employment size), business performance (turnover, profits versus losses, growth and growth plans), managerial and administrative capabilities (having a business plan or producing regular reports), awareness of policy support (General Export Facility (GEF) or British Business Bank (BBB)), innovative profile of businesses (having introduced new products or services, having improved an aspect of the business, holding intellectual property (IP) rights, planning to innovate) and, finally, perceived business obstacles (e.g. political, economic and

currency uncertainty, red tape and regulation, staff-related shortages, supply chain and demand issues, costs and cash-flow issues). The SMEFM also allows us to look at export champions – that is, those where over half of business turnover comes from exports. This category of international businesses may have different characteristics from other exporters and our analysis may offer further insights on how to support MSMEs in their journey to become more international.

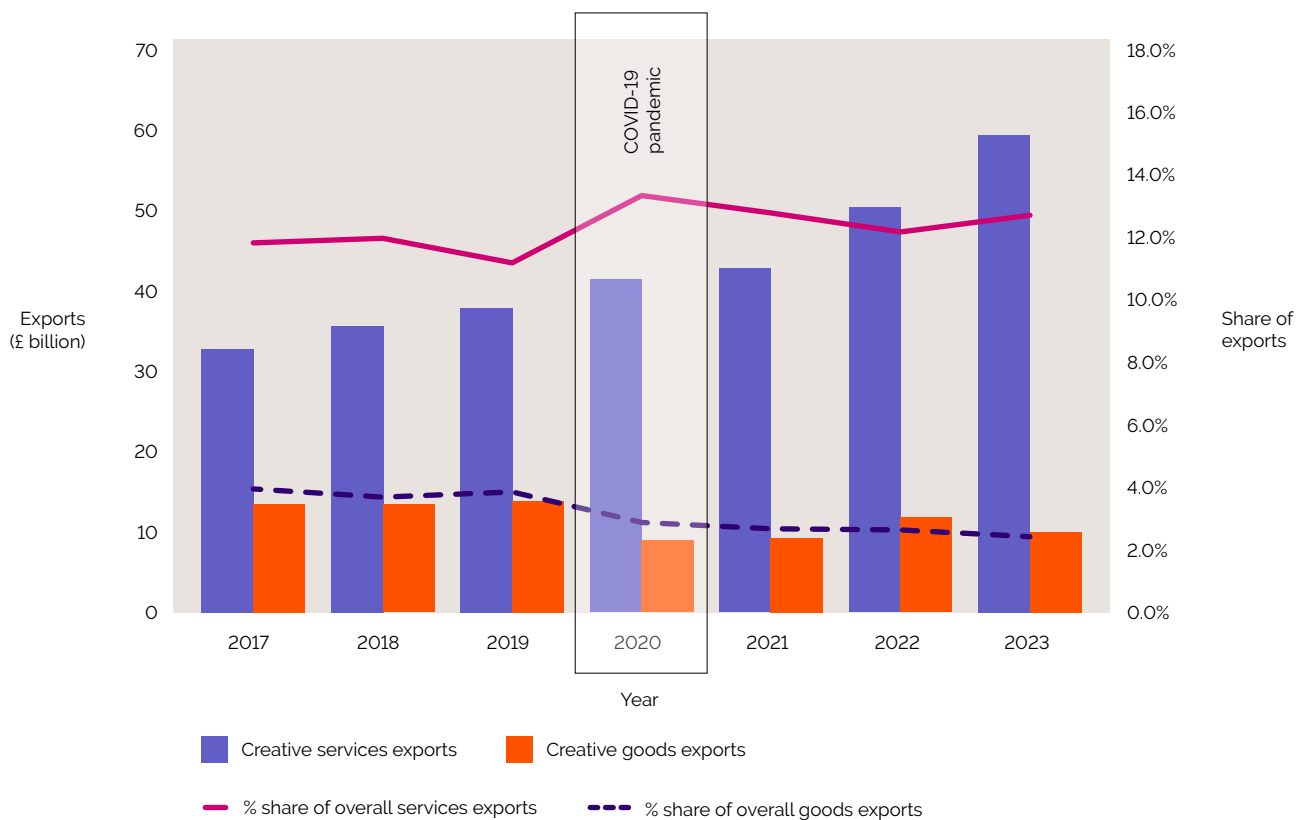
By exploring these issues with a sector-specific lens, the report also provides targeted policy design considerations to strengthen export readiness and resilience in the creative industries, while aligning trade and industrial strategies with the sector's innovation-led growth potential.

Key findings from the statistical analysis

Macro-sectoral trends from DCMS statistics. Between 2017 and 2023, the absolute value of creative services exports rose, creative goods

exports remained stable (see figure below), while exports of services-export-intensive sub-sectors recovered or expanded post-Covid and post-Brexit in 2021.

UK creative exports of goods and services, 2017–2023



Source: Authors' calculations based on DCMS Sectors Economic Estimates

Priority markets. The relative importance of sub-sector exports, however, vary across primary and future growth priority markets. 'IT, software and computer services', Advertising and marketing', 'Film, TV, video, radio and photography' and 'Publishing' remain the main exporting sub-sectors, with some variability in terms of their main destination, although the EU and North America are the main partners. Sectors like 'Crafts' (relative to other sub-sectors) export more into countries belonging to the Gulf Cooperation Council (GCC).

Micro trends from SMEFM data. A higher share of UK creative MSMEs are exporters and export champions compared with the rest of the economy, with the gap widening over time between 2018 and 2024. Across all sub-sectors, the share of exporters increased in the

post-pandemic and post-Brexit period, with some heterogeneity across sub-sectors. For example, the share of exporters in 'Advertising and marketing' went from 21% in 2018–2020 to 38% in 2022–2024 and in 'Publishing' from 31% to 40%. In 2024, 'Advertising and marketing' and 'Publishing' saw more than one-quarter of their MSME exporters generating 50% or more of their annual turnover from exports. In 'Crafts', this share was even higher, although the total number of exporters in this sector is small. Creative MSMEs are also more likely to be exporters than their non-creative counterparts across all UK regions and nations. This evidence confirms the increasing international dynamism of the creative industries observed in the macro-sectoral trends.

Proportion of creative and non-creative MSMEs, 2018–2024



Source: Authors' calculations based on SMEFM 2018–2024. Weighted results with denominator as all MSMEs in the respective industries. Shaded region represents 95% confidence interval. Values are provided in online supplementary material.

Demographic profile. Most exporters are based in London, which is in line with what we know about the location of creative industries in the UK. However, the exporters and export champions as a share of total creative MSMEs are present across all UK regions and nations. Our analysis shows that the gender imbalance between owners of creative MSME exporters and export champions is (slightly) less pronounced than in other sectors. The owners of creative exporters are, on average, younger than both non-exporters and non-creative SME owners, with most creative owners aged between thirty-one and sixty-five and fewer over sixty-six. Over 60% of creative exporting MSMEs were set up less than fifteen years ago, and they are smaller in size than their non-creative counterparts, contrary to conventional wisdom that larger firms are more likely to export. A large share of creative exporters and export champions – significantly larger than for the non-creative MSMEs – fall into the one-employee band. Hence, despite their size, creative MSMEs are very international.

Business performance. Exporters usually outperform non-exporters. Our analysis shows that regardless of export status, a larger share of creative MSMEs have turnover below £1 million. Across the economy, a significantly larger share of exporters report profits greater than the previous year than non-exporters, but this is more prevalent and significant among creative MSMEs. Relative to the rest of the economy, fewer creative exporters report losses. Higher growth expectations are a cross-economy tendency for exporters and export champions, indicating the importance of internationalisation for growth – even in a context of lower turnover (likely due to smaller size).

Managerial and administrative capabilities and public support awareness. Exporting entails some costs and requires managerial and administrative capabilities. Our analysis shows that, across the economy, exporters do have better managerial and administrative capabilities than non-exporters. However, fewer creative MSME exporters have processes in place such as business planning and regular reporting, perhaps due to their smaller size. More than one-third of creative export champions have a mentor, indicating that some degree of business support may help businesses in their internationalisation journey. When it comes to public support awareness, here proxied through awareness of the GEF and BBB, we find that only exporters are aware of public support in the form of GEF, but this is around 10% of creative MSME exporters. This suggests that raising awareness across the population of firms and among exporting businesses may help increase exports.

Financing. The evidence gathered here shows that creative MSMEs tend to use fewer types of financial instruments and, even when exporting, fewer creative MSMEs access traditional finance. At the same time, they rely more on providers they already know, rather than reaching out to new providers – even if they are selling abroad, which is usually a sign of success. This evidence flags a potential problem with asymmetric and incomplete information in the credit market, even when businesses have overcome the boundaries of the domestic market.

Innovative profile. Creative MSMEs are more innovative than non-creative ones. Across the economy, exporters and export champions see higher rates of innovation in terms of developing new products and services or improving the business than non-exporters, regardless of whether they are creative. This suggests innovation is a key success factor when it comes to achieving foreign markets.

Obstacles. Larger percentages of creative exporters and export champions report obstacles as major barriers to their business, albeit with no statistically significant differences

compared with non-exporters. Interestingly, the opposite is true for non-creative exporters, where smaller (and statistically significant at 10%) percentages of exporters report these obstacles as major barriers (with few exceptions: access to external finance for the business, changes in the value of sterling, lower demand). Changes in the value of sterling affect exporters across the economy. The incidence of obstacles like the current economic climate, cash flow or late payment as major barriers is significantly higher among creative export champions compared with exporters.

Creative MSME exporters 2024

25% of creative MSMEs are exporters

19% are also export champions (majority of turnover coming from exports)

33% are majority-owned by female owners

41% are innovative in introducing a new product or services in the past three years

94% applied to their main bank for funding

Policy considerations

The above results point to some policy considerations. The first is that there is potential for complementarities between the UK's Industrial Strategy and Trade Strategy. Increasing the international competitiveness of creative businesses requires a comprehensive approach that looks at success factors and removes barriers.

Another issue to consider in formulating these strategies is whether policies should always be sector specific. The evidence presented in this report suggests that not all issues faced by creative MSMEs are sector specific, but some are.

A combination of both policies that target firms because of their MSME nature alongside policies that target creative MSMEs specifically is likely needed. The following considerations are mainly inspired by the evidence of sector peculiarities when it comes to exporting by MSMEs.

First, policymakers should ensure a more coordinated and holistic approach to increasing creative industries exports in the delivery of the Sector Plan. For example, the development of public support for research and development (R&D) through UK Research and Innovation's (UKRI's) forthcoming Creative Industries R&D Strategy should consider how this will align with and draw on administrative and trade promotion support.

Second, evidence suggests that the share of creative industry MSME exporters is increasing, and there is a high prevalence of creative exporters and export champions across all UK nations and regions, underlining the importance of business and export support being available close to where businesses and exporters are located. DBT and UK Export Finance already provide such local support. In a context of devolution, local policymakers will be better able to consult and engage with the local creative industries and consider how to best coordinate local policies with existing national initiatives.

Third, creative exporters tend to be younger and smaller than exporters in the rest of the economy. Exporters need a certain degree of managerial and administrative capability, which is not always easy to arrange for MSMEs. Hence, one specific area that both national and regional policymakers could consider is whether business support and mentorship programmes should be boosted to build MSMEs' management capacity and knowledge of exporting.

Fourth, the report considers awareness of the GEF as a proxy of public support awareness and shows that only (few) exporters know about it. This may be due to several reasons, including some of the eligibility criteria, (i.e. the GEF targets businesses that already have a certain degree of exporting activity). Other programmes may target businesses that export more sporadically or are planning to become exporters but have not been investigated here. Some successful examples come from sub-sector-specific programmes like the UK Global Screen Fund and the Music Export Growth

Scheme. The more general consideration is that raising awareness around key export support programmes among those still not aware of them can further expand creative industries exports.

Fifth, when we look at the financing profile of exporters, the evidence suggests that exporters are not more likely to be able to access further financing opportunities – if anything, the evidence points in the opposite direction. This evidence confirms previous findings in Di Novo et al (2022) that innovation is not necessarily perceived as a sufficiently strong signal by funders when they make decisions. When it comes to the relationship between exporting and access to finance, this may not be just a creative industries concern but one more generally shared among SMEs, and there is no magic bullet to address the issue. As discussed in this [Global Trade Review](#) blog, it will likely require different interventions ranging from direct support to regulatory changes. Further evidence and input from sector representatives can help identify whether and if specific regulatory interventions and new financial instruments are needed when it comes to the creative industries.

Finally, creative exporters and export champions report the current economic climate as a barrier more than other businesses in the economy. Setting out clear public strategies for the sector, like those in the Sector Plan, and stabilising international trade uncertainty through agreements will hopefully reduce these concerns over time and encourage MSMEs to internationalise.

1 Introduction

1.1 Motivation and context

The Sector Plan, published in June 2025, sets out a path to drive growth in the UK creative industries and make the UK a top global destination for creative and innovative investment. The plan, which is a central part of the UK's Industrial Strategy, highlights the international strength of the UK's creative industries in relation to exports (DBT and DCMS, 2025; DBT, 2025a). It also recognises the importance of accelerating innovation-led growth, supporting access to finance, and growing both exports and international investment to meet its aim of increasing business investment in the creative industries from £17 billion to £31 billion by 2035.

The Sector Plan is complemented by the government's commitment to strengthen the UK's trade agility through the new Trade Strategy (DBT, 2025b) published on 26th June 2025. The international ambitions of the Sector Plan and the Trade Strategy land at particularly challenging times, with the highest levels of global trade uncertainty. To remain internationally competitive, the UK's creative industries will need to remain adaptable and innovative (Fazio et al, 2024). This is not straightforward because, despite being appealing to inward investors (Jones et al, 2024), the sector continues to face challenges in accessing the finance needed to fuel its innovation and growth potential (Siepel et al, 2024; Bakhshi et al, 2025). Weathering the present trade uncertainty may require additional administrative and financial support.

This report begins by updating the macro-sectoral evidence with the latest official data and then explores the features of creative industries exporters, where a lack of quantitative evidence remains in several areas. For example, although we have some information at the macro-sectoral level, more evidence is needed about the differences at the micro-level between exporters and non-exporters in the creative industries in relation

to the rest of the economy. Also, barring few exceptions (Du et al, 2023), we lack evidence on the impact of recent trade shocks on creative exporters. Similarly, we have limited information about the differences between creative exporters across sub-sectors and places in the UK.

In pursuing the goals of the Industrial Strategy and to unlock more exports, more information is needed. Which barriers are still preventing businesses from accessing international markets for the first time or from further increasing exports, if already exporting? Do we need sector-specific strategies? For example, past evidence points to a substantial financing gap in the creative industries, but little is known about whether this is also the case for exporters. Creative businesses are highly innovative, but can we leverage innovation to unlock further export growth? Recent trade research for traditional industries has emphasised the innovation-export nexus, offering an important connection between industrial and trade strategies. Some preliminary evidence in this direction was provided by Di Novo et al (2021), who noted higher levels of innovativeness among exporters. This report aims to expand the empirical evidence in the above directions.

To further this evidence, we look into the profiles of creative MSMEs – which includes micro businesses (who employ less than ten employees) – that are already exporting as well as those that are not. With MSMEs constituting the bulk of the UK's creative industries and being the target of the recently published UK Small Business Strategy (DBT, 2025c), this report also aims to inform the implementation of this strategy by identifying the key successes and limiting factors of exporters and export champions among MSMEs.

Statistically, the focus on MSMEs carries both advantages and disadvantages. On one side, it addresses a fundamental drawback of official data, especially for services trade, which is based on information collected from firms with over ten employees only (Maioli et al, 2021). Past evidence (Di Novo et al, 2021) shows a large portion of exporters in the business size band of less than ten employees, which are mostly unexplored. On the other side, the focus on MSMEs misses large businesses, which are more likely to be exporters and account for a substantial part of sectoral export volumes. Our previous report (Fazio et al, 2024) investigated the feature of exporters using data from Financial Analysis Made Easy (FAME), which could be biased towards larger firms; therefore, this report balances the evidence by looking at the other end of the spectrum.

The data source we use is the BVA BDRC SMEFM dataset (BDRC Continental, 2025). This dataset includes nationally representative survey responses from a cross-section of around 4,000 MSMEs interviewed every quarter.² From 2018 to 2024, based on their Standard Industrial Classification of economic activities (SIC) codes, around 8% of the sample was primarily in the creative industries. Creative industries businesses are identified and classed into their primary sub-sector using the four-digit SIC 2007 codes according to the official definition by DCMS (2016).

Although the main scope of the dataset is to understand the experiences of businesses in accessing financing, the survey is sufficiently rich to allow the investigation of many other features. This specific dataset presents some advantages over alternatives. For example, compared with the FAME data used in Fazio et al (2024), it allows digging into issues such as innovation and financing (similar to Di Novo et al, 2021). Having economy-wide repeated cross-sectional data allows us to peek into key specific enterprise-level features of creative industries in comparison with non-creative industries. The list of features includes demographic factors (e.g. age and gender of owners, business and location), business-related issues (e.g. business performance and plans, business readiness and perceived barriers) and policy issues (e.g. availability and access to finance including export finance, and innovation). The dataset provides a more consistent level of detail on MSMEs than the Annual Business Survey. Unlike other surveys, like the UK Innovation Survey and the International Trade in Services, which exclude businesses with under ten employees, the SMEFM also includes firms as small as single-employee enterprises – which are especially prevalent in the creative industries due to the sizeable population of freelancers. A dataset similar in depth and coverage of UK small businesses is the Longitudinal Small Business Survey. While its longitudinal nature is a clear advantage, it misses some of the information collected by the SMEFM and used here.

This report extends the breadth of the evidence base on creative industry exporters produced by Creative PEC in previous work. It covers more issues than previous research using FAME data (Fazio et al, 2024) and updates and extends the analysis of Di Novo et al (2021) based upon data collected in 2017 for the Creative Industries Council Access to Finance report (BDRC Continental, 2018) which

2. The sample is set annually with sample quotas by International Territorial Level (ITL) 1 UK region and business sector (at broad section-level of industrial classification) for each business size band to ensure a balanced sample, with adjustments to ensure a robust subsample for each sector and weights to account for over-sampling of larger MSMEs.

came before Brexit and Covid. Di Novo et al (2021) found evidence of differences in the characteristics of creative exporters, especially regarding exporting experience and plans, customer origins, experiences innovating and perceived barriers to exporting. Despite the data limitations mentioned above, the SMEFM allows us to explore additional sources of

heterogeneity across creative sub-sectors and UK regions than previously reported, especially in comparison with the rest of the economy. Using data from 2018 to 2024, it also let us look at some time series evidence on changes that may have occurred around the time of the Covid pandemic and the UK's official exit from the EU in 2021.

1.2 Overview

This first part of this report provides an up-to-date picture of the UK's creative exports, updating previous reported trends with recently published data from DCMS (2025). It provides a picture just on the cusp of the rise in trade policy uncertainty observed since the start of the recent tariff disruptions.

Section 2 shows the overall resilience of the sector since the 2020 global pandemic and the completion of the UK's exit from EU in 2021. Separating time trends of creative services exports from those of creative goods exports also confirms the diverging trends shown in Fazio et al (2024). A sub-sectoral dissection of the UK's creative exports shows the trends of goods and services exports within each creative sub-sector, affirming the sub-sectoral heterogeneity within the creative industries. Finally, we take a deeper look at sub-sectoral exports in 2023 to the UK's creative priority markets, as identified by the Trade Strategy, revealing major markets in each creative sub-sector as well as the most popular sub-sectoral exports within each market.

The second part of the report profiles creative exporters (versus the rest of the economy) using the SMEFM dataset. Specifically, Section 3 provides a more updated and detailed profile of UK creative exporters compared with what

exists in the current evidence base. We begin the section by presenting overall sectoral trends of the exporting proportion of MSMEs in the creative and the non-creative industries across 2018 to 2024 to compare how they have changed over time. We also visualise the regional spread of creative exporters to compare this against the spread of exporters outside the creative industries, while also comparing this for export champions – exporters whose exports constitute at least half of their annual turnovers. By comparing proportions, we show how exporters and export champions in the creative industries vary from those in non-creative industries in terms of demographics, innovation, access to finance and other business characteristics. We also present the variations in how severely exporting MSMEs rate business obstacles to highlight areas that require consideration when making policies.

2 Recent macro-sectoral and sub-sectoral trends in UK creative exports

This section updates some of the key creative exports trends in Fazio et al (2024) using data up to 2023 from the latest DCMS Sector Economic Estimates in July 2025.³

2.1 Sectoral and sub-sectoral evidence

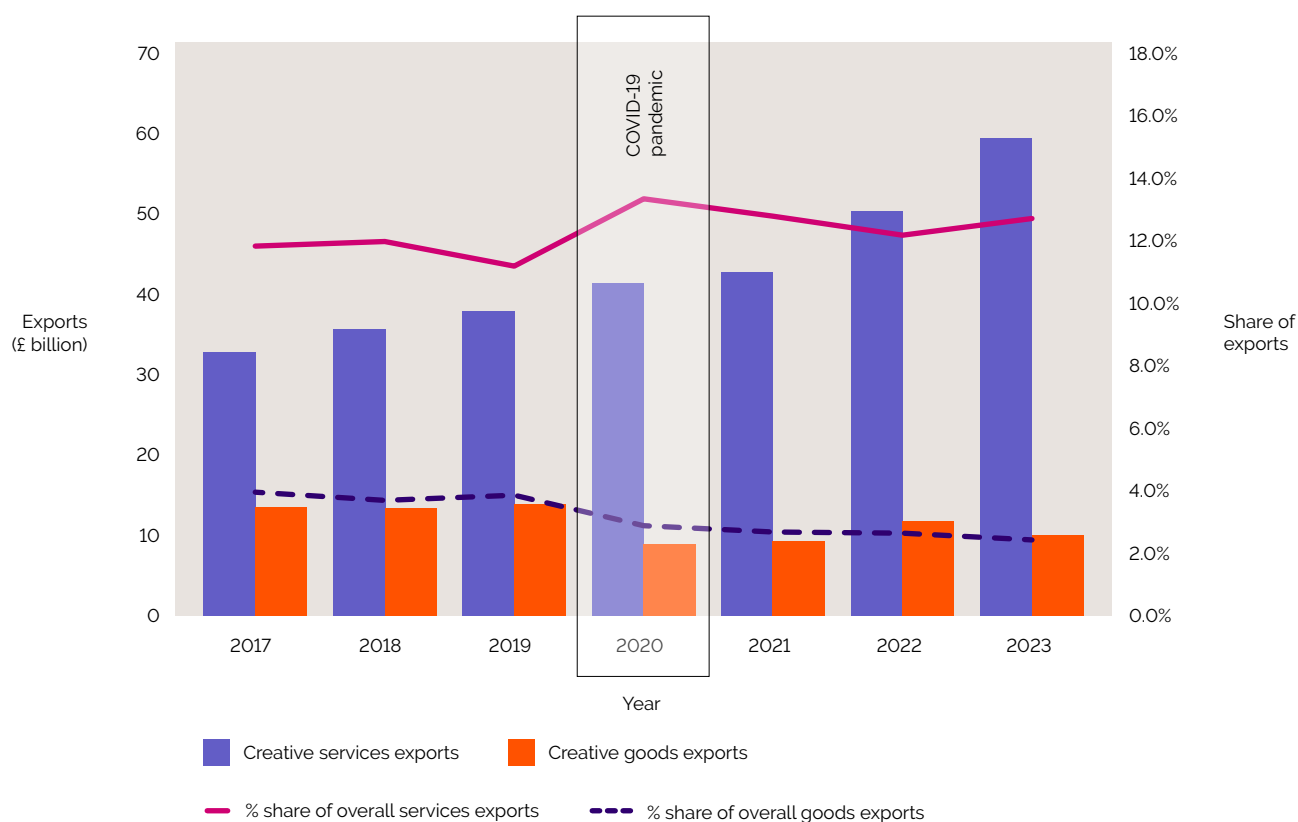
Services exports rose and goods exports remained stable

The UK exported £11.7 billion of creative goods in 2022 and £10.2 billion in 2023, which, compared with exports of £9.1 billion in 2021, represents an increase of 27.8% and 10.7%, respectively. Despite this recent growth, creative goods exports have not returned to

the same level as the pre-pandemic 2017–2019 period, when they were higher than £13 billion per year. Taken as a share of total goods exports, creative goods exports contracted from a pre-pandemic average of 3.82% in 2017–2019 to 2.64% in 2022 and 2.41% in 2023.

3. Export of goods statistics are from HMRC Overseas trade in goods statistics. Export of services statistics are collected through the ONS International Trade in Services (ITIS) survey. Estimates for exports of goods are defined based on the type of exported commodity, whilst the estimates for exports of services are defined based on the industry of the business trading the service, rather than based on the type of exported service. Given these different definitions and that the data is obtained from different sources, exports of services and exports of goods are not directly comparable and should not be added together.

Figure 2.1: UK creative exports of goods and services, 2017–2023



Source: Authors' calculations based on DCMS Sectors Economic Estimates

A different, and more positive, picture emerges from the trends in creative services exports, whose value in 2023 (£59.4 billion) is almost double that of 2017 (£32.8 billion). This has been achieved with 18% year-on-year growth rates in 2023 (from £50.4 billion in 2022) and 2022 (from £42.7 billion in 2021).

The share of creative services exports out of total services exports also increased to 12.7% from 12.2% in 2022 and below 12% in the pre-pandemic period. Exports of creative services

are, therefore, growing faster and becoming relatively more important than exports of non-creative services. Figure 2.1 illustrates these trends, which consolidate those observed already in Fazio et al (2024).

It is also worth noting that, despite the UK running a trade surplus in services and a trade deficit in goods, both services and goods in the creative industries in 2023 had a trade surplus of £21.1 billion and £2.1 billion, respectively, as reported by DCMS (2025).

Exports of services export-intensive sub-sectors recovered or expanded post-Covid and post-Brexit

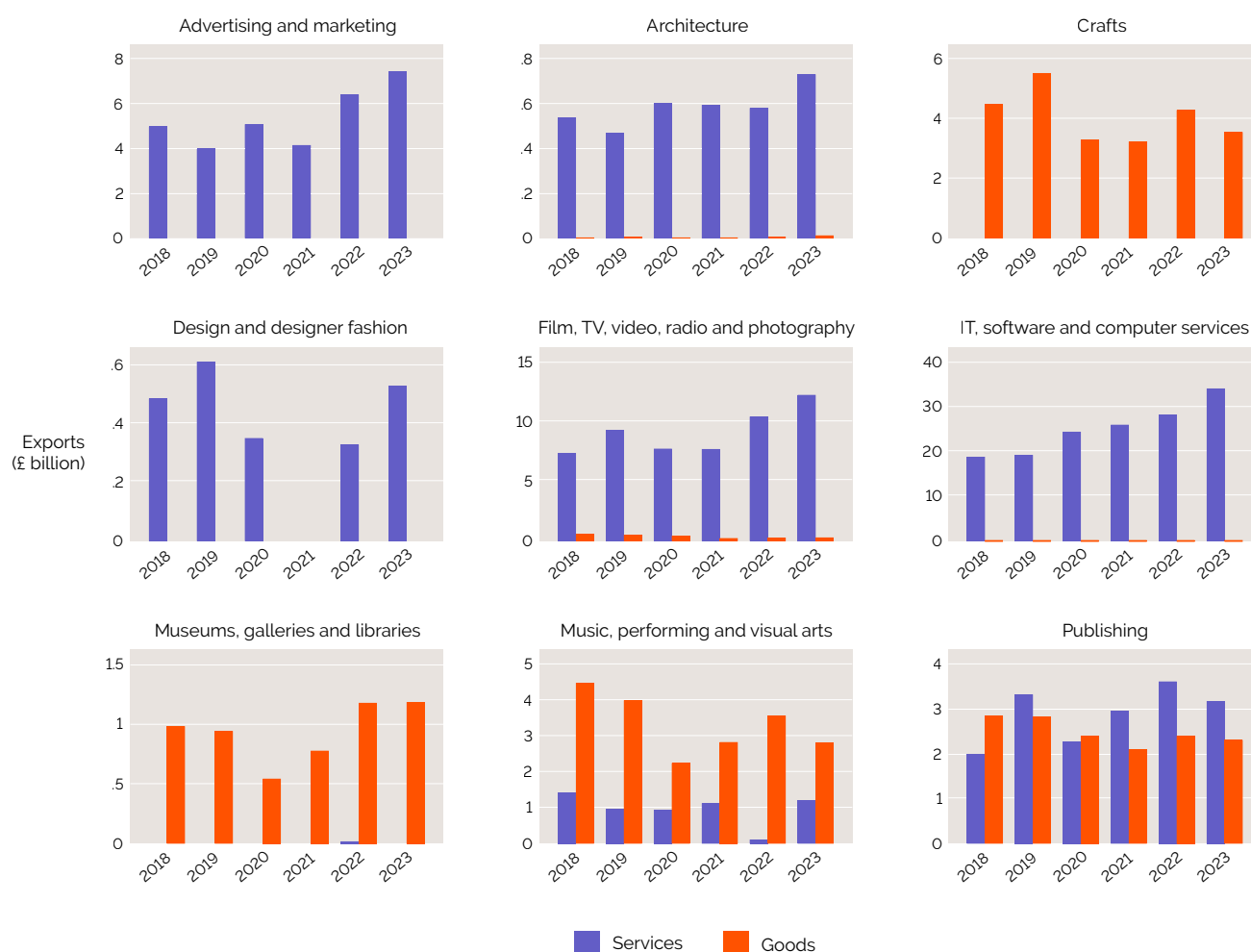
Next, we look at sub-sectoral trends in the official data (DCMS, 2025) for the nine creative industries primary sub-sectors: 'Advertising and marketing', 'Architecture', 'Crafts', 'Design and designer fashion', 'Film, TV, video, radio and photography', 'IT, software and computer services', 'Museums, libraries and galleries', 'Music, performing and visual arts', and 'Publishing'. As in previous reports, it is helpful to note that in the DCMS definition of creative industries 'IT, software and computer services' comprises 'publishing of computer games', 'other software publishing', 'computer programming activities' and 'computer consultancy activities'. While a computer game sold as a physical copy to residents in a foreign country would be classed as a creative goods export, the same sold as a subscription would be classed as a creative services export. An important note is that, particularly in the sub-sectoral breakdown of services exports data, some values are suppressed to avoid disclosing respondent information.

Figure 2.2 shows that, in line with previous published trends, the main services exporting sub-sectors remain 'IT, software and computer services', 'Film, TV, video, radio and photography' and 'Advertising and marketing'. These sub-sectors respectively accounted for 57.3%, 20.6% and 12.6% of all creative services exports in 2023 (which totalled £59.4 billion), with very similar percentages

in 2022. With most video games companies categorised under 'IT, software and computer services', these sub-sectors – along with 'Music, performing and visual arts' – make up the Sector Plan's four "highest potential sub-sectors". Among the other sub-sectors, exports of 'Architecture' services reached a historical peak in 2023 at nearly three-quarters of a billion pounds. Although services exports for 'Design and designer fashion' grew between 2022 and 2023, the volume in the latter year hovered around pre-pandemic levels. 'Publishing' services exports in 2023 were also close to the volume recorded in 2019, having slightly contracted from the volume reached in 2022.

Creative goods exports are – again, in line with previous published trends – dominated by 'Crafts', 'Music, performing and visual arts' and 'Publishing'. These sectors respectively accounted for 34.9%, 27.6% and 22.7% of total creative goods exports in 2023 (which were £10.2 billion). While 'Publishing' saw a significant increase after 2020 and maintained its volumes compared with before the pandemic, the other two sectors saw a contraction in post-Covid years. An opposite trend is shown by 'Museums, galleries and libraries', whose goods exports have increased since 2020, although their volumes – reaching £1.2 billion in 2023 – are smaller compared with other sub-sectors.

Figure 2.2: UK creative exports of goods and services by creative sub-sector, 2018–2023



Source: Authors' calculations based on DCMS Sectors Economic Estimates. Total services exports for 'Crafts' and 'Museum, galleries and libraries' for 2023 are suppressed in the data.

2.2 Priority export markets

The Sector Plan and the Industrial Strategy recognise the need to cement and strengthen the creative industries' position on the global stage by expanding the UK's trading relationship with key countries.

The Sector Plan groups these countries into primary markets (Australia, China, the EU, the GCC, India, Japan and North America) and future growth markets (Brazil, Central Asia, Nigeria, ASEAN and South Korea). Figure 2.3 illustrates the 2023 exports of the nine creative sub-sectors by destination, categorised by these market groupings. In 2023, the creative services exports to these priority markets

represented 88.3% of all creative services exported (excluding suppressed values), while the share of creative goods exports accounted for by these destinations was 76.5% of all creative goods exported. We concentrate here on these priority and future growth markets and refer from now on to total volumes exported in 2023 with reported values to these markets.

IT, software and computer services

Services exports from 'IT, software and computer services', the largest exporter to primary markets, are the most far-reaching geographically, flowing to all primary and future growth markets. However, they are highly concentrated in North America and the EU, which in 2023 received 57.7% and 33.2%, respectively, of the total £29.8 billion services exports from the sub-sector to the target

markets (excluding to Central Asia). This sub-sector also concentrates its £9.8 billion of goods exports to North America for 63.4% of the total and to the EU for 18.3%, with a further 5.0% directed to India and 4.3% to Australia. In comparison with services, the sub-sector's goods exports reach every priority market identified in the Sector Plan, including Central Asia.

Film, TV, video, radio and photography

The second sub-group of services exports by total volume is 'Film, TV, video, radio and photography', where the EU and North America absorb 66.0% and 27.8%, respectively, of the total £11.2 billion exported across the primary and future growth markets. However, this sub-sector's exports of creative goods are slightly

less concentrated, with the EU, North America and the GCC countries (comprising Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates) importing 44.1%, 22.7% and 19.0% of the total £265 million, respectively. This sub-sector's exports of goods flow to every priority market.

Advertising and marketing

The third top services exporter sub-group by total volume, 'Advertising and marketing', has a similar high concentration across the EU and North America, accounting respectively for

76.5% and 19.2% of the total exports for the sub-sector towards the priority markets (excluding Central Asia and ASEAN). This sub-sector does not export goods.

Publishing

A similar pattern emerges for 'Publishing': the majority of its £2.9 billion services exports is directed to the EU, which accounts for 41.2%, while North America accounts for 39.4%. Similar percentages are found for the sub-sector's £2

billion goods exports, 49.6% of which is directed to the EU and 26.3% to North America. Publishing exports are reaching every priority market, both in services and goods.

Music, performing and visual arts

Similar concentration shares are found for the £1.1 billion of 'Music, performing and visual arts' services exports, with 47.3% directed to the EU and 43.5% to North America, leaving very small shares to the other priority markets (excluding Central Asia and ASEAN). Goods exports for this

sub-sector are also quite concentrated, with North America, the EU and South Korea receiving 47.3%, 38.2% and 5.4% of the £2.1 billion total volumes, respectively, although they reach every priority market even with tiny shares.

Design and designer fashion

Services exports for 'Design and designer fashion' are also very concentrated in the destination markets of the EU and North America, which absorb 46.0% and 43.4% of the

total £399 million exports, respectively, while the GCC countries import 5.6%. Notably, there are no goods exports to any of the priority markets.

Architecture

A different pattern is found for 'Architecture', whose top services export destinations are the GCC countries. They receive 37.6% of the £620 million total architecture services exported to the priority markets (excluding Brazil, Nigeria, Central Asia and ASEAN), followed by North America at 24.6%, the EU at 21.6% and China at

11.6%. The £2.8 billion of goods exports related to 'Architecture' are exported most often to North America at 69.6%, followed by the EU at 15.9% and India at 10.1%. So, contrary to other creative industries, goods exports in architecture appear to be more concentrated in their destination markets than services exports.

Museums, galleries and libraries

The only 'Museums, galleries and libraries' services exports go to China (values to other primary markets are suppressed). However, more importantly, the sub-sector's goods are

exported to every priority market, with higher concentrations found again for North America (49.2%) and the EU (39.3%), as well as a sizeable share for the GCC countries (5.7%).

Crafts

The 'Crafts' sub-sector does not export any services to China, India, Nigeria, South Korea and ASEAN, but it is the third-highest creative sub-sector exporter for goods (after 'IT, software and computer services' and 'Architecture'), totalling £2.5 billion of exports across the

identified primary and future growth markets. Its primary export destination is the GCC countries with a 42.8% share, followed by the EU with 28.7% and North America with 19.2%, and exports in every priority market.

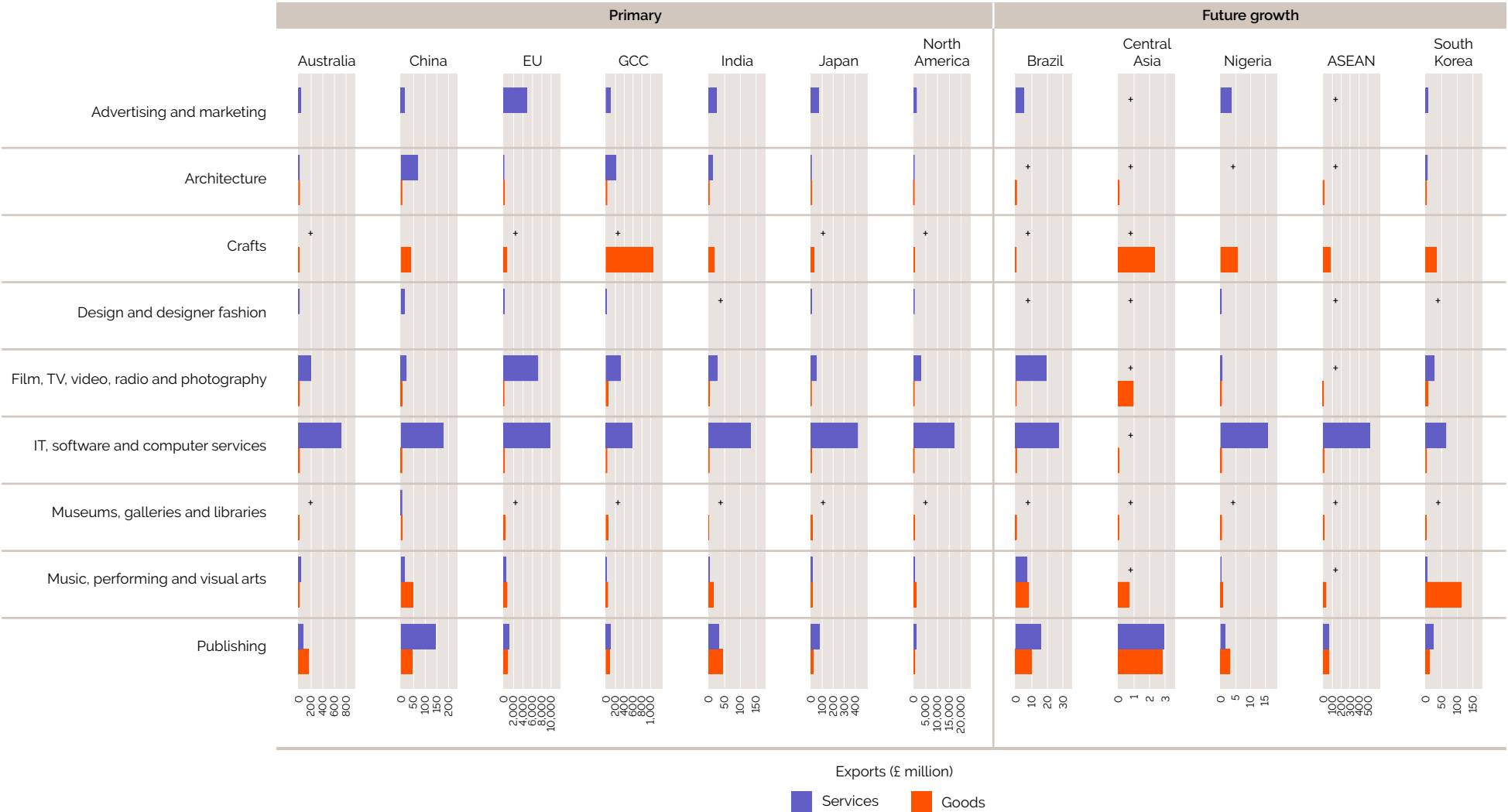
Key sub-sector exports vary across primary and future growth priority markets

Interestingly, 'Crafts' is the top UK creative industries sub-sector exporting to the GCC countries, surpassing even the exports from the sub-sector 'IT, software and computer services', which instead is the top UK creative industries exporter by volume in all other primary markets, in addition to the future growth markets of Brazil, Nigeria and the ASEAN countries. 'Publishing' is the top-performing sub-sector among all creative industries exporting to Central Asia, with both publishing services and publishing goods outperforming all other creative exports. 'Music, performing and visual arts', meanwhile, is the top-performing sub-sector in South Korea.

In general, we observe that creative services exports continue a prior trend discussed in Fazio et al (2024) of higher geographical concentration than what is observed in creative goods exports. We conclude this section by noting that, as at

2023, the three main geographical destination areas for creative services exports are the EU, North America and the GCC countries, with shares of 40.8%, 39.6% and 2.4%, respectively, out of the total creative services volumes exported all over the world. The same three geographical areas are the top destinations for creative goods exports, with a share of 29.3% of total creative exports going to the EU, 24.8% to North America and 12.9% to the GCC countries. This cements the importance of the GCC countries as increasingly important importers of UK creative goods and services. China, in comparison, only imports 0.8% of total creative UK services – less than Australia, Japan and ASEAN, which all import above 1%. China also only imports 1.5% of all creative UK goods, less than Australia (2.2%), ASEAN (2.0%) and South Korea (1.7%).

Figure 2.3: UK creative sub-sector exports by creative industries priority market, 2023



Source: Authors' calculations based on DCMS Sectors Economic Estimates.

+ suppressed values in data

3 Profiling the creative exporters

We now move onto the features of the creative MSME exporters behind some of the macro trends discussed in the previous section.

However, we move away from goods and services as observational units to instead focus on MSMEs and their features, comparing exporters with non-exporters within the creative industries and comparing the creative industries with the rest of the economy. Beyond looking at who takes part in international markets and who does not, we also look at who the export champions are. This distinction is useful because any strategy aiming to increase overall

exports will want to increase both the number of exporters and the exports of those who are already exporting. To do so, as explained in the introduction, we exploit information from the SMEFM data. After looking at some overall, regional and sub-sectoral trends, we investigate the features of the exporters in terms of demographics, business performance, administrative capabilities, innovation profile, financing and perceived obstacles.

3.1 Export patterns

3.1.1 Overall sectoral patterns

Creative MSMEs are more likely to be exporters than non-creative MSMEs, and this gap has widened: the former have shown increasing export activity while the latter have maintained relatively stable export rates over time. Compared with the rest of the economy, a higher share of creative MSMEs are intensive exporters, or export champions (i.e. more than 50% of their overall sales go abroad). And the share of creative export champions has been increasing over time.

Figure 3.1(a) shows time series evidence between 2018 and 2024.⁴ Over this period, we can see how the share of creative MSME exporters increased from 15% to 25% while, for the rest of the economy, the share of exporters remained broadly the same at around 9%. In the same period, starting from similar shares of creative and non-creative export champions in 2018 (around 1.5%), a gap starts to emerge later with the share of creative export champions increasing to around 5% in 2024 and the share of export champions in the rest of the economy remaining stable.

The growth in the share of export champions must be considered alongside the above-mentioned growth in the share of exporters in the creative industries. Around one-fifth of creative exporters in 2024 were export champions (compared to around one-tenth in

2018). Hence, at the end of the period, export champions as a share of exporters (as opposed to as a share of total businesses) were similar across creative MSMEs and the rest of the economy. The overall rise in the share of creative exporters over the period also translates into greater export intensity for the industry.

In Fazio et al (2024), using FAME data, we found a decrease in the share of exporters from around 10% in 2013 to around 5% in 2022 and, in the same period, an increase in the share of exported turnover from around 20% to around 23%. While the second finding aligns with the evidence presented here, the higher share of exporters (25% in 2024) found here could be due to our focus on MSMEs, showing a high degree of internationalisation among smaller businesses, which is missed when one focuses on larger firms.

4. It is important to note that the construction of this time series is subject to some caveats related to the SIC code for each enterprise reported in the data, which denotes the type of economic activity of the enterprise. Indeed, until the first quarter of 2021, MSMEs in the sample are assigned a SIC code according to the 2003 SIC (SIC03) classification; from quarter two of 2021 to quarter two 2022, some are assigned a SIC03 code and others a 2007 SIC (SIC07) code; and from quarter three onwards most are assigned a SIC07. Given that the definition of creative industries we use here is in line with the DCMS list of 31 SIC07 codes, we have used the official Office for National Statistics (ONS) weighted tables between SIC03 and SIC07 to convert SIC03 to SIC07 and identify creative MSMEs when only a SIC03 was available. This conversion is, obviously, not perfect and measurement errors can lead to some degree of measurement bias, which should be small in most sub-sectors. Some sub-sectors, however, may be affected more than others ('Architecture' and 'Design and designer fashion' are two notable examples). For the above reasons, except for this and the next subsection, in the rest of the report we focus on the last year or last three years of data available, depending on the analysis, where most MSMEs are classed according to SIC07.

Figure 3.1: Proportion of creative and non-creative MSMEs, 2018–2024

Source: Authors' calculations based on SMEFM 2018–2024. Weighted results with denominator as all MSMEs in the respective industries. Shaded region represents 95% confidence interval. Values are provided in online supplementary material.

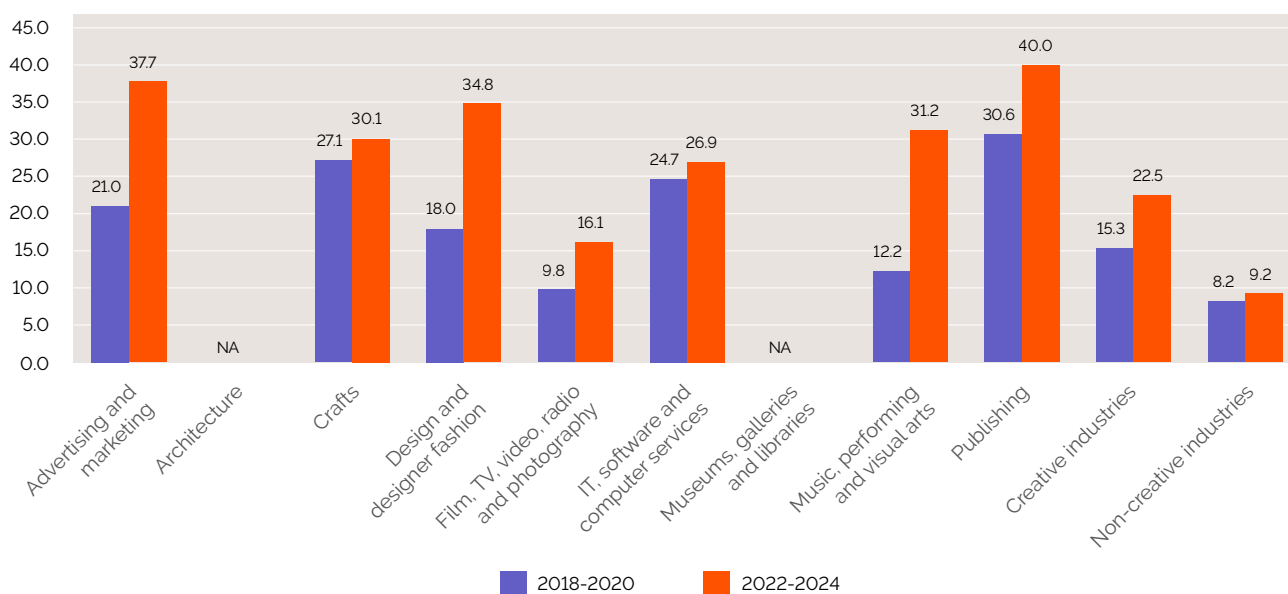
3.1.2 Sub-sectoral patterns

The share of MSME exporters increased more significantly for creative industry MSMEs compared with the rest of the economy. This increase is shared across most creative sub-sectors.

Figure 3.2 shows the share of exporters in each creative sub-sector for the 2018–2020 and 2022–2024 sub-periods, with the upward trends in Figure 3.1(a) shared across almost all creative sub-sectors. The sub-sectors with the largest shares of exporters in both sub-periods were 'Publishing', 'Advertising and marketing', 'Crafts' and 'IT software and computer services'. In the latest sub-period, 'Publishing' had the largest share (40%) of MSMEs that were exporters, followed by 'Advertising and marketing' (38%),

which experienced a notable increase compared with 2018–2020. 'Music, performing and visual arts' and 'Design and designer fashion' both saw large increases, with around one-third of MSMEs in each sub-sector exporting in the 2022–2024 sub-period. Please note that the comparisons drawn in this chart may be affected by the above-mentioned possible misclassification errors in the SIC03 to SIC07 conversion, especially in 'Architecture' and 'Design and designer fashion'.⁵

Figure 3.2: Proportion of creative MSMEs exporting by sub-sector, 2018–2020 vs 2022–2024



Source: Authors' calculations based on SMEFM 2018–2024. Museums, galleries and libraries in the sub-period 2022–2024 only consist of one unweighted observation. For 'Architecture' and 'Design and designer fashion', please refer to the caveats in footnote 5. 'Museums, galleries and libraries' have insufficient observations to draw comparisons.

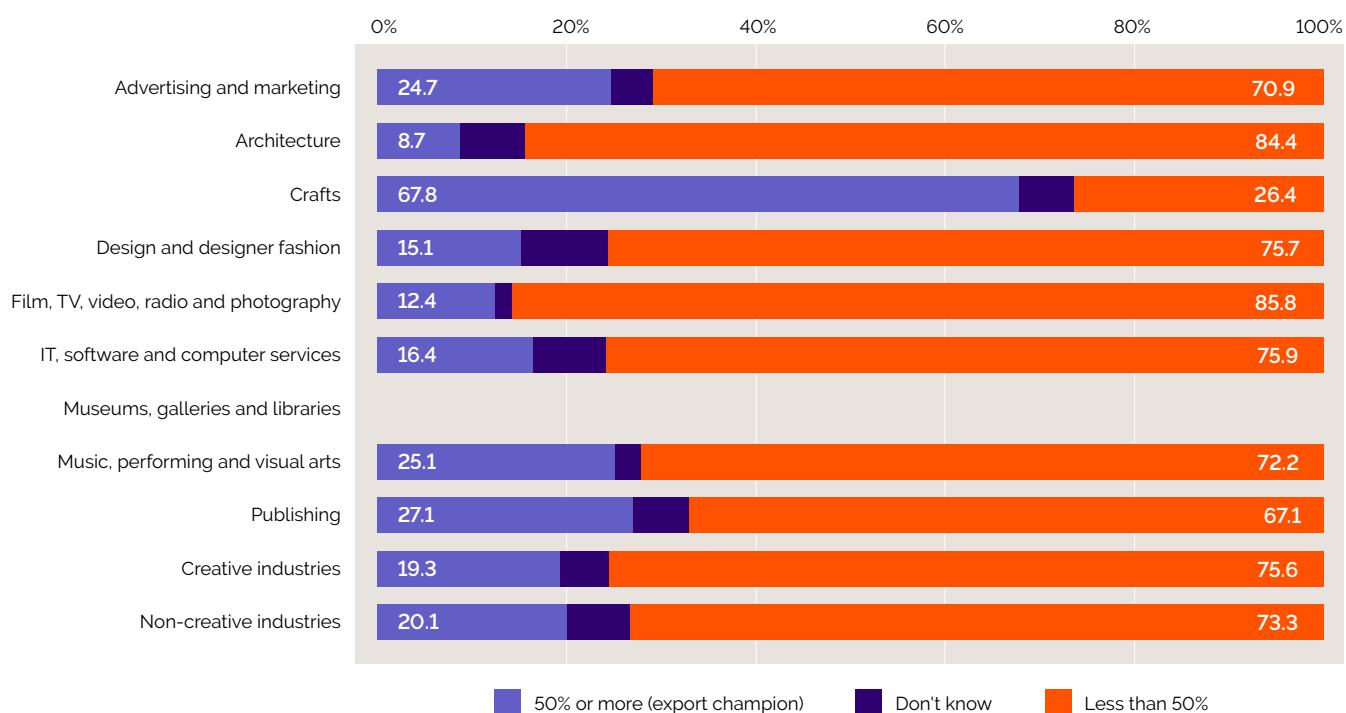
5. All observations prior to Q2 2021 are only coded using SIC03, while nearly half of all observations Q2 2021–Q1 2022 are only coded using SIC07. In assigning observations with SIC07 using the correlation table, each four-digit SIC03 code is assigned a single correlated SIC07 code based on a majority correlated count weight (50% or more) instead of being broken up into its correlated SIC07 codes. However, in this analysis, the count for SIC03 '7420' is fully transferred to SIC07 '7111' under 'Architecture' and the count for SIC03 '7487' is fully transferred to SIC07 '7410' under 'Design and designer fashion'.

Some sub-sectors rely more than others on export champions.

Figure 3.3 shows, for the 2024 sample, how the exporting MSMEs are distributed between export champions and non-export champions. Shares are reported for the creative industries and their sub-sectors, as well as for the rest of the economy. On average, as seen in the previous section, the shares of export champions are similar in the creative industries and the rest of the economy, but large variation exists across the sub-sectors within the creative

industries. 'Crafts' has the largest share of export champions (around 67%, but has a low total number of exporters and is statistically less precise due to the small number of unweighted observations), followed by 'Publishing' with 27%, as well as both 'Advertising and marketing' and 'Music, performing and visual arts', each at 25%. Most remaining sub-sectors rely more on smaller exporters.

Figure 3.3: Export intensity (export proportion of turnover) by sub-sector, 2024



Source: Authors' calculations based on SMEFM 2024. An enterprise whose exports make up 50% or more of its annual turnover is referred to as an export champion. None of the MSMEs in 'Museums, galleries and libraries' exported in the sample.

3.1.3 Regional patterns

Creative MSMEs are more likely to be exporters across all UK regions and nations.

The distribution of MSME exporters by region is examined in Figure 3.4(a), which shows that all regions have a higher share of exporters among the creative MSMEs⁶ than the non-creative MSMEs⁶. The largest shares of creative businesses that are exporters are in London (32%), the North West (33%) and the North East (35%). All regions have over 12% of creative MSMEs exporting, while no region has more than 12% of non-creative MSMEs exporting (Northern Ireland having the highest percentage at 12%). Some regions have more notable relative differences between the shares of exporting creative and non-creative MSMEs, such as London, the North West and the North East. The North East has around a 28 percentage point difference (statistically significant at 5%) between the share of exporters in the creative industries and in the rest of the economy while also being the region with the largest share of MSME exporters overall. The difference between the share of exporters in the creative industries

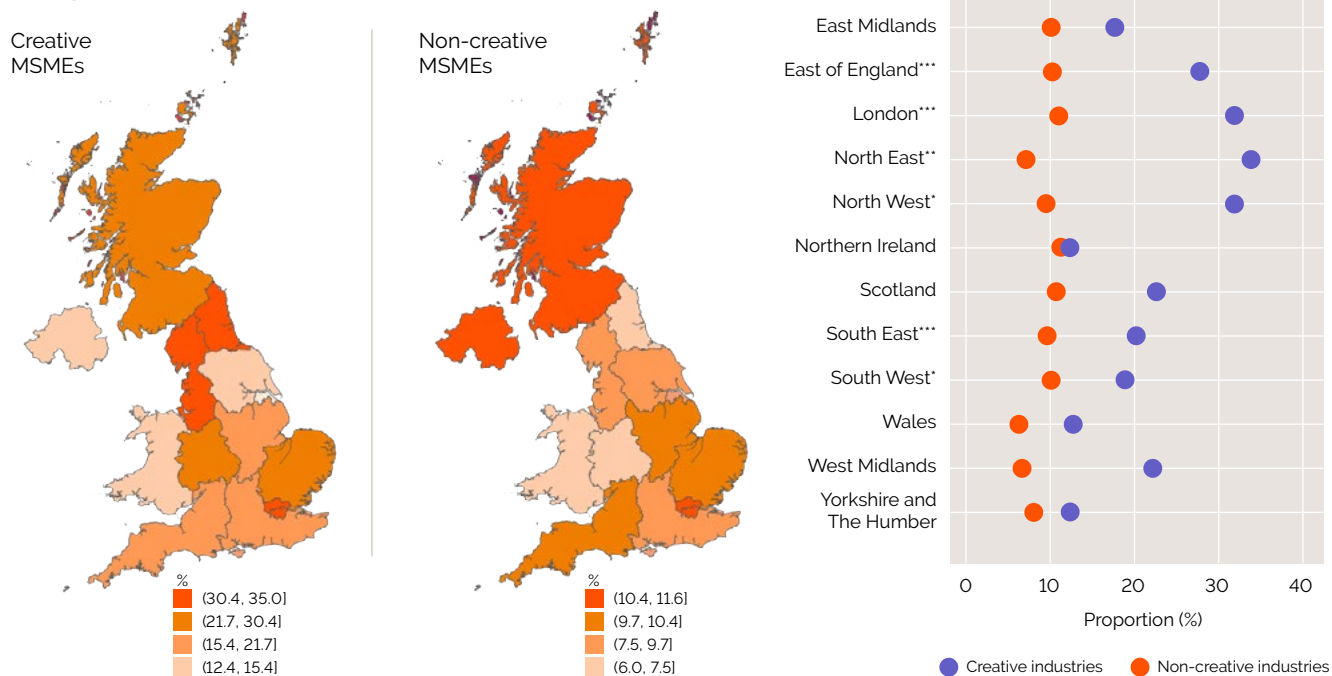
and the rest of the economy is also statistically significant in London, the East of England and the South East.

As shown in Figure 3.4(b), across the UK regions and nations (except for the North West, Northern Ireland and West Midlands), there is also a higher share of MSME export champions in the creative industries compared with the rest of the economy, albeit with some regional variation. The North East has the largest share of export champions at 9%. Outside of the creative industries, the regions with the largest shares of MSME export champions are Northern Ireland and the East of England. In addition, some regions have larger differences between the shares of export champions in the creative industries and the rest of the economy (London and the North East). However, these differences are only significant at the 10% level for two regions: the West Midlands and the North West.

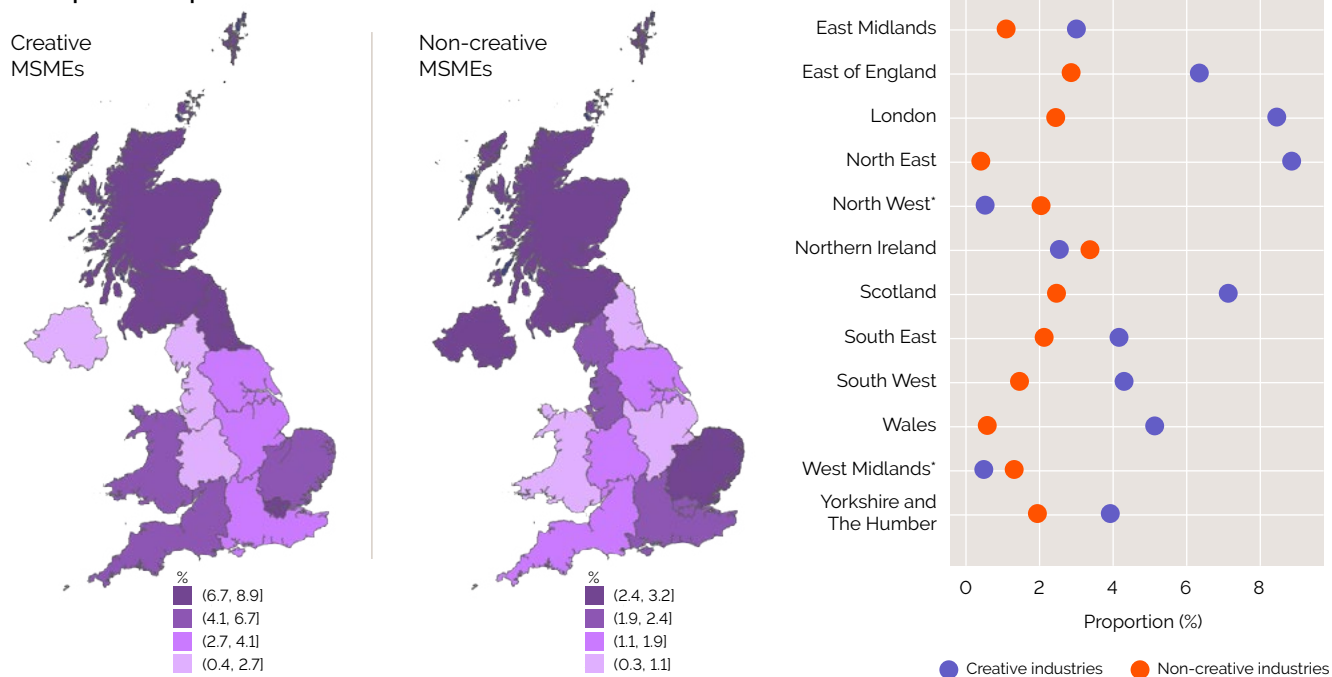
6. Regions are defined at ITL 1, which divides the UK into twelve regions: London, South East, East of England, South West, West Midlands, East Midlands, Yorkshire and the Humber, North West, North East, Scotland, Wales and Northern Ireland. For information on ITLs, [see here](#).

Figure 3.4: Proportion of creative MSMEs exporting by region, 2024

(a) Exporters



(b) Export champions



Source: Authors' calculations based on SMEFM 2024. Excludes Isle of Man. Regions that are unidentified are excluded from the calculation. Significance in proportion test (creative vs non-creative industries) as follows. *0.1 **0.5 ***0.01

For the year 2024, Table 2.1 compares the geographical distribution of non-exporters, exporters and export champions, reporting the statistical significance of differences within the creative industries and between the creative industries and the rest of the economy. In terms of the geographical distribution of MSMEs in relation to export status, London has the highest

share of exporters, followed by the North West, the South East and the East of England, as well as of export champions, followed by the East of England and the South East. Only in London is the share of exporters significantly higher in the creative industries, with a creative to non-creative gap of 34% vs 19%.⁷

Table 2.1: Regional distribution tests: Non-exporters, exporters and export champions

	Creative industries			Non-creative industries		
	Non-exporters	Exporters	Export champions	Non-exporters	Exporters	Export champions
North East	1.6**	2.6^	3.5	2.8	2.1^	0.5***
North West	8.7	12.7^	0.9**	9.1	9.1^	9.4
Yorkshire and the Humber	6	2.6***^	4.1	7.4	6.2^	9.4
East Midlands	9	5.9^	4.8**	7.7	8.3^	4.1***
West Midlands	9.8	8.6^	0.8***	8.3	5.5^	5.3
East of England	8.6	10.2^	11.6	11.2	12^	17.1
London	24.1**	34.5***^	46.5*	16.5	19^	21
South East	13.7	10.7^	10.8	15.1	15.4^	16.3
South West	8	5.7^	6.4	9.5	10.4^	7.2
Northern Ireland	2.2	0.9***^	1*	2.2	2.8^	3.9
Scotland	4.6	4.2^	6.5	5.3	6.1^	6.9
Wales	3.4*	1.5^	3.1	4.9	3^	1.2***

Source: Authors' calculations based on SMEFM 2024. Note: MSMEs are export champions if their exports are 50% or more of their annual turnover. Columns subtotals sum up to 100%. Unweighted 2024 sample: 1,167 in creative industries, 15,819 in non-creative industries.

Significance of creative industries vs non-creative industries: *0.1 **0.5 ***0.01

Significance of exporter vs non-exporter: ^0.1 ^^0.5 ^^0.01

Significance of export champion vs exporter non-champion: ~0.1 ~~0.5 ~~~0.01

7. Two-sample test of proportions are calculated using the Stata *svy: proportion* command with sample weights. Tests are done for the following pairs: (1) the proportion of exporters in the creative industries vs the proportion of exporters in the non-creative industries, (2) the proportion of export champions in the creative industries vs the proportion of export champions in the non-creative industries, (3) the proportion of exporters in the creative industries vs the proportion of export champions in the creative industries, and (4) the proportion of exporters in the non-creative industries vs the proportion of export champions in the non-creative industries, (5) the proportion of non-exporters in the creative industries vs the proportion of non-exporters in the non-creative industries, (6) the proportion of exporters vs proportion of non-exporters in the creative industries, and (7) the proportion of exporters vs proportion of non-exporters in the non-creative industries.

3.2 Who are the creative exporters

We use answers to the SMEFM survey to investigate several enterprise-level characteristics: business demographics (owner's gender and ethnicity, business age and size, etc.), performance and future plans (turnover, profits, business growth, growth plans), managerial and administrative capabilities and public support awareness, innovation profile, financing, and perceived obstacles.

Across all these characteristics, we gauge differences using unconditional proportion tests (i.e. non-exporters vs exporters and exporters vs export champions), both within the creative

industries and between the creative industries and the rest of the economy.⁸ For this part of the analysis, we limit the sample to 2024, the last available year.

3.2.1 Exporters' demographics: Ownership, age and size

Creative MSME exporters and export champions have (slightly) better gender balance in ownership than non-exporters. Their owners are younger than both non-exporters and non-creative MSME owners, with most creative owners aged between thirty-one and sixty-five and fewer over sixty-six. They are also younger businesses, with over 60% being set up less than fifteen years ago, and they are smaller in size than their non-creative counterparts. A large share of creative exporters and export champions – significantly larger than the share of non-creative MSMEs – fall under the one-employee band.

8. See footnote 7 for an explanation.

We look at the demographics of MSMEs and their owners in Table 3.1.

Table 3.1: Differences between exporters and export champions: Demographic characteristics, 2024

Proportion (%)		Creative industries			Non-creative industries		
		Non-exporters	Exporters	Export champions	Non-exporters	Exporters	Export champions
MSMEs		74.9***	25.1***^	4.9***~	90.7	9.3^	1.9***~
Gender of owner/s	Male	79.1	72.6^	64.9	75.7	75.2	82.9***~
	Female	20.3	27^	35.1	23.1	23.5	16.7***~
	Joint	0.3***	0.3^	0**	0.9	1	0.2~
Ownership	Owned at least 50% by women	22.3**	32.9^	38.6	27.8	30.9	26.4
Ethnicity of owner/s	White	79.1	75.7^	57.5	73.8	76	71.2
	Mixed	1.1	5.2^	5.7	1.7	0.9	0.6
	Asian	3.5	0.3***^	0**	3.8	3.3	2.6
	Black	1.9	0.7^	1	1.9	1.1	0.8
	Chinese	N/A	N/A	N/A	N/A	N/A	N/A
	Not answered or refused	16.2	18.1^	35.8~	18.6	18.7^	24.6
Age of owner	18–30	16***	0.5^	2.3	3.9	1.6^	0.2***~
	31–50	36.2	38.9^	31.9	34.2	31.3^	28.5
	51–65	44.3	45.5^	42.5	42	44.8^	41.2
	66+	11.1	7.5***^	7.7***~	13.2	16.9^	25.2***~
	Don't know or refused	6.8	7.6^	15.6	6.7	5.5^	4.9
Age of enterprise	<1 year ago	7.9	0.8***^	0	7.4	5.8^	6.5
	1–2 years ago	8.1	22.5***^	19.2	13.6	8^	8.9
	2–5 years ago	9.6	7.4^	11.2	11.3	9.2^	7.5
	6–9 years ago	10.1	6.4***^	2.6***~	10.2	10.4^	5.9***~
	10–15 years ago	21.3	23.8^	30.3~	18.2	19.1^	26~
	>15 years ago	43	39.2^	36.6	39.4	47.6^	45.1
Size of enterprise (number of employees)	1	86***	81.6***^	81.9***	73	59.2^	58
	2–10	12.5***	15***^	14.3***	22.4	30.6^	31.4
	11–50	1.3***	3.1***^	3.6***	4	8.5^	8.7
	51–100	0.2***	0.1***^	0.1***	0.4	1.2^	1.3
	101–200	0***	0.1***^	0.1**	0.2	0.4^	0.5
	201–250	0	0**^	0	0	0.1^	0

Source: Authors' calculations based on SMEFM 2024.

Note: An enterprise is considered an export champion if its exports constitute 50% or more of its annual turnover. Column subtotals within each characteristic sum up to 100%. Unweighted 2024 sample: 1,167 in creative industries, 15,819 in non-creative industries. N/A=Not applicable due to zero unweighted sample observation

Significance of creative industries vs non-creative industries: *0.1 **0.5 ***0.01

Significance of exporter vs non-exporter: ^0.1 ^^0.5 ^^0.01

Significance of export champion vs exporter non-champion: ~0.1 ~~0.5 ~~~0.01

The creative industries have a significantly larger share of exporters and export champions compared with the rest of the economy. In terms of gender diversity, women have been traditionally underrepresented in business leadership, including in the cultural and creative industries (Holden and McCarthy, 2007). We can see that regardless of export status and industry, the data reveals strong gender imbalance across the economy, with MSMEs predominantly owned by men (over three-quarters). When it comes to export status, there is a marginally higher (significant at 10%) share of female creative exporters than non-exporters (27% vs 20%). There is also a slightly better gender balance in owners among creative MSMEs exporters than the rest of the economy (27% vs 24% female owners), although this difference is not statistically significant. Similarly, women are better represented among the creative export champions, but the difference is not statistically significant. Given the evidence that business performance is generally affected by gender (Fairlie and Robb, 2009), the higher prevalence of female business ownership among exporting MSMEs is important to note for the creative sector. Gender differences may also shape exporting methods: women-led firms tend to export more directly to consumers (and less to other businesses) and have a higher share of online sales compared with men-led firms (Korinek et al, 2023). Furthermore, gender differences may partly explain the size, financing and growth ambitions of businesses (Marlow et al, 2012; Neneh et al, 2019).

Regarding the ethnicity of ownership, international engagement is usually positively influenced by ethnic diversity in the labour force (Parotta et al, 2016), although more research is needed to establish the benefits of ethnic diversity in business owners. Here, we focus on the differences in terms of export status,

and we do not find meaningful and statistically significant differences between exporters and non-exporters within the creative industries and between the creative industries and the rest of the economy.

The evidence on the relationship between owner/business age and exporting is mixed (Love et al, 2016). When it comes to the age of the owner and enterprise, most owners across creative/non-creative industries and exporters/export champions are in the thirty-one to fifty and fifty-one to sixty-five bands, and enterprises are at least ten years old. However, when it comes to being exporters and export champions, owners of creative MSMEs seem to be younger than owners of MSMEs in the rest of the economy, with significantly fewer owners aged over sixty-six. Meanwhile, 22.5% of creative exporters and 19.2% of export champions have a business age between one and two years (vs 8% and 9% in the rest of the economy), a statistically significant difference at 10%. This indicates a possible "born global" phenomenon in which an enterprise is directly set up with a global ambition in mind and immediately seeks to export (Gabrielsson et al, 2008; Montgomery and Potts, 2009; Aronica et al, 2021).

The distribution of exporters across MSME sizes is consistent with the general pattern of the UK's creative industries, being dominated by nano enterprises, freelancers (Easton and Beckett, 2021) and micro firms. More than 80% of exporters and export champions in the creative industries employ only one person (vs 60% and 58% respectively in the non-creative industries), which is a significantly higher rate than the rest of the economy. Although the conventional wisdom is that larger firms are more likely to export (Wagner, 1995), creative MSMEs prove to be very international despite their small size.

3.2.2 Business performance and ambitions

Regardless of export status, a larger share of creative MSMEs have a turnover below £1 million. Across the economy, a significantly larger share of exporters report profits over the previous year than non-exporters, but this is more prevalent and significant among creative MSMEs. Relative to the rest of the economy, fewer creative exporters report losses. Higher growth expectations are a cross-economy tendency for exporters and export champions.

As shown in Table 3.2, regardless of export status, a significantly larger share of creative MSMEs have a smaller annual turnover (less than £1 million) compared with non-creative MSMEs (89% of non-exporters, 86% of exporters and 95% of export champions vs 82%, 75% and 68%). This

aligns with the above evidence of a greater share of smaller-sized creative enterprises. Smaller employment and annual turnover, however, does not seem to deter creative MSMEs from exporting and, as explored later, innovating.

Table 3.2: Business performance and plans, 2024

Proportion of MSMEs (%)		Creative industries			Non-creative industries		
		Non-exporters	Exporters	Export champions	Non-exporters	Exporters	Export champions
Annual turnover	Less than £1m	88.6***	86.2***	94.5***	82.1	75.2^	67.7
	£1m to £14.9m	1.9***	3.6***^	4.9***	4.6	12.3^	14.6
	£15m or more	0***	0.1***^	0.1***	0.1	0.4^	0.8**
Profit or loss (last 12 months)	Profit	63.3	77.2***^	74.4	66.6	68.8^	63.9
	Broke even	7.1	6.2	13.5	7.4	5.4^	6.3
	Loss	13.8	7.1***^	2.4***	12.1	16.2^	15.6
Business growth (last 12 months)	Growth of >40%	1.9	2	2.2	1.2	2.2^	1.6
	Growth of 20% to 40%	4.8	7.3	8.3	5.9	8.7^	8.2
	Growth of <20%	13	15.3	16.7	14.8	19.5^	21.3
	Stayed the same	34.9	26.7	23.8	30.8	29.6^	30.3
	Declined (negative)	28.8	24.8	29.4	24.8	24.7^	20.8
Plans	Sell or pass the business	0.6***	0.2*	0*	1.8	1.2^	3.8
	Downsize	5.3	1.8***^	0.5**	5.6	5^	4.9
	Stay the same	40.3	27.6^	21***	43	34.6^	23.4***
	Grow by up to 40%	43.3	52.3	40.6	38.6	48.5^	55.8
	Grow by >40%	4.7	13.7^	27.6	7	7.7^	11

Source: Authors' calculations based on SMEFM 2024.

Note: A firm is considered an export champion if its exports constitute 50% or more of its annual turnover. Unweighted 2024 sample: 1,167 in creative industries, 15,819 in non-creative industries. Percentages for 'Don't know' or 'Refused' responses are not displayed.

Significance of creative industries vs non-creative industries: *0.1 **0.5 ***0.01

Significance of exporter vs non-exporter: ^0.1 ^^0.5 ^^0.01

Significance of export champion vs export non-champion: ~0.1 ~~0.5 ~~~0.01

Across the economy, for both creative and non-creative industries, a significantly larger share of MSME exporters does significantly better than non-exporters in terms of profits. Such difference in performance, however, is higher for creative MSMEs than non-creative ones (77% vs 63% 69% vs 67% report profits in the previous twelve months). A larger share of export champions, especially in the creative industries report profit, albeit the difference with the rest of the economy is not statistically significant. This, of course, translates into significantly fewer creative exporters and export champions reporting losses.

Most business growth in the previous twelve months is either static (stayed the same) or less than 20% with roughly a quarter reporting a decline in 2024. Fewer MSMEs report growth above 20% and even fewer above 40%. In general, exporters tend to do better than non-exporters, which is expected. Even

though a larger share of creative MSMEs report profits, relative to the rest of the economy, a smaller share report higher growth and a large share of roughly 30% of export champions report a decline. However, differences are not statistically significant across the economy, indicating that this is not a creative industries specific phenomenon.

In terms of ambition, most businesses expect to stay the same or grow by up to 40%, rather than intending to downsize or pass the business. A larger share of creative exporters expect to grow by up to 40% or more (52% vs 48%) and a larger share of creative export champions expect to grow even more than 40% (28% vs 11%). However, such differences between creative and non-creative industries are not statistically significant, indicating that higher growth expectations as a cross-economy tendency for exporters and export champions.

3.2.3 Managerial and administrative capabilities and policy support awareness

While exporters have better managerial and administrative capabilities than non-exporters, among creative MSMEs fewer have such processes in place. More than one-third of creative export champions have a mentor. Only around 10% of creative MSME exporters have awareness of GEF.

Exporting entails managerial and administrative capabilities. For example, targeting foreign markets may require an international marketing strategy, knowledge of trading rules and customs, connections with international distribution networks, and a series of administrative tasks and paperwork related to exporting. All these represent a burden that only the most productive and profitable businesses can sustain. Hence, one would expect exporters to have some managerial and administrative

capabilities. This may, in principle, prove to be more problematic for MSMEs which may, in turn, look for policy support. But how aware are MSMEs of public support infrastructure? We use a block of questions from the survey that proxy for the businesses' managerial and administrative capabilities (whether they have a formal business plan, produce regular accounts and have a mentor) and for their awareness of policy support infrastructure around finance (i.e. the BBB) and exporting (i.e. the GEF from UK Export Finance).

Table 3.3 looks at managerial and administrative capabilities and public support awareness among creative MSMEs in comparison with non-creative MSMEs in relation to their export status. Overall, exporters seem to have better managerial and administrative capabilities than non-exporters, in terms of business planning and regular reporting. However, relatively fewer creative MSMEs – exporters or non-exporters – have such processes in place. Also, a greater percentage of exporters and export champions have a mentor than non-exporters, although this difference is statistically significant only for the export champions.

We also consider the general awareness of MSMEs around public support. To this end, we use questions on awareness of the GEF and the BBB. Clearly, several other public support programmes are available, and some are specific to the sector (e.g. trade fairs and trade missions, the UK Global Screen Fund, etc). Data limitations

prevent us from assessing MSMEs' awareness of these programmes. Therefore, our set of questions should be considered as general proxies of public support awareness rather than of specific programmes.

In Table 3.3, it is shown that awareness of GEF is not particularly high among the exporters and export champions, and less so among the creative MSMEs, although this difference is statistically significant only for the export champions. This may be because the eligibility criteria of the scheme itself have required some level of exporting experience for the last three financial years (UK Export Finance, 2025). Raising awareness of this measure among both exporters and non-exporters may help to increase both the pool of exporters and export volumes. On the other hand, relatively more creative MSMEs and exporters are aware of the BBB, albeit with little evidence of statistically significant differences.

Table 3.3: Managerial and administrative capabilities and awareness of public support, 2024

Proportion of MSMEs (%)		Creative industries			Non-creative industries		
		Non-exporters	Exporters	Export champions	Non-exporters	Exporters	Export champions
Managerial and administrative capabilities	Has a formal written business plan	21.1	33.2 [^]	32	21.6	33.7 [^]	36.8
	Produces regular monthly or quarterly management accounts	37 ^{**}	46.5 [*]	43	44.5	57.8 [^]	59.4
Support awareness	Has a mentor who provides help and advice	13.3	20.7	34.7 ^{**}	13.3	26.3 [^]	32.3 ^{**}
	Aware of GEF from UK Export Finance	N/A	11.4	9.1 ^{**}	N/A	16 [^]	22
	Aware of the BBB	19.6	29.9	10.6	19.6	23.3 [^]	18.6

Source: Authors' calculations based on SMEFM 2024.

Note: A firm is considered an export champion if its exports constitute 50% or more of its annual turnover. The question on awareness of GEF was only asked to exporters. Unweighted 2024 sample: 1,167 in creative industries, 15,819 in non-creative industries. N/A=Not applicable

Significance of creative industries vs non-creative industries: *0.1 **0.5 ***0.01

Significance of exporter vs non-exporter: ^0.1 ^^0.5 ^^0.01

Significance of export champion vs export non-champion: ~0.1 ~~0.5 ~~~0.01

3.2.4 Financing

Even if exporting, fewer creative MSMEs use financial instruments or access traditional finance. At the same time, they rely more on providers they already know, even if they are selling abroad, which flags a potential information signal problem even for internationally successful businesses.

Depending on export status, at least 40% and up to almost 60% of MSMEs, regardless of whether in the creative industries or not, use some form of external financing. Traditional means prevail, like bank overdrafts, bank loans and credit cards, followed by loans or equity from directors, family and friends. Among the MSME exporters, the proportions of those using bank overdrafts and commercial mortgages are lower for creative MSMEs than non-creative MSMEs. In comparison with non-creative MSMEs, creative MSMEs (including exporters) access fewer types of financial instruments. The incidence of grants is not particularly high and only significantly lower for export champions relative to exporters, both among creative and non-creative MSMEs. When it comes to borrowing events (applying), they also seem to have access to fewer sources than non-creative MSMEs.

Distinctively, a significantly greater percentage of creative exporters relative to non-creative ones (93% vs 51%) applied to their main bank for funding. Similarly, a significantly larger percentage of creative export champions applied to "another finance provider [they] once had an existing relationship with" compared with non-creative ones (100% vs 2.5%). Significantly fewer creative MSMEs compared with non-creative ones, especially among exporters, applied to "a new finance provider [they] hadn't used before". This could flag a signalling problem when businesses look for funding, even when they have access to international markets, because information asymmetry and lack of complete information in financial markets draws creative MSMEs towards specialised providers that already know them.

Table 3.4: Proportion of exporters by financing, 2024

Proportion (%)		Creative industries			Non-creative industries		
		Non-exporters	Exporters	Export champions	Non-exporters	Exporters	Export champions
(a) Proportion of MSMEs (%)							
External finance experience	Currently using	41.5	49.1	57.6	44.6	52.1^	50.6
	Used in the past but not now	12***	1.7	0***	3.2	2.1^	1.8
	Not used at all	57.2	49.2	42.4	52.3	45.8^	47.5
(b) Proportion of finance-experienced MSMEs (%)							
External finance type	Bank overdraft	25	17.1**	13.4	25.2	27.8^	20.6
	Bank loan	28.9*	18.2	24.9	20.1	23.8^	18.7
	Commercial mortgage	0.5***	1.3**	0***	3.6	3.9^	2.6
	Credit cards	26.5	36.6	63	32.3	41.3^	42.9
	Grants	6.4	7.5	41***	4.9	6.4^	2.4***
	Loans from directors or friends and family	19.2	11.4*	9.1	17.9	20.8^	25.3
	Equity from directors or friends and family	7.4	6.2	0*	4.8	5^	5.9
	Export/import finance (e.g. documentary credits)	0***	0.4*	1.6	1	16^	1.1
	Equity from other third parties (e.g. business angels or venture capital funds)	0***	0.8^	1.1	0.6	12^	2.9
	Leasing, hire purchase or vehicle finance	13.7***	12.2	13***	22.6	18.6^	16.7
	Finance through crowd funding, peer-to-peer lending or non-bank funding	0.7	0.5	0***	0.5	0.6^	0.1***
	Invoice finance – factoring and invoice discounting – an ongoing finance facility against your whole turnover	14	0.6***	0***	2.9	3.3^	18**
	Asset-based lending – an ongoing finance facility provided against debts and other assets (e.g. stock, work in progress, plant and machinery, etc.)	0.3***	0.6*	0.8	1.3	16^	1.1
	Selective or single invoice finance – occasional finance provided against individual invoices	0.5	0.2	0	1.1	11^	1.6
	Any other loan	12***	3.2	6.8	3.1	2.6^	0.7***
(c) Proportion of MSMEs with any borrowing event (%)							
Recent borrowing event	Applied to main bank for funding	45.2	93.6***	0***	50	51^	24.5
	Applied to another finance provider once had an existing relationship with	39.2	6.4	100***	26.6	20^	2.5**
	Applied to a new finance provider hadn't used before	51.3	12**	0***	22	28.7^	73***
	Applied to an online finance platform	19***	0**	0	15.5	12.7^	4.2***
	Decided to fund some or all of it through the company or directors	11***	4.3	0	7.9	8.5^	3***

Source: Authors' calculations based on SMEFM 2024.

Note: A firm is considered an export champion if its exports constitute 50% or more of its annual turnover. The question on the use of equity from other third parties (e.g. business angels or venture capital funds) was only asked to companies.

Unweighted 2024 sample: 1,167 in creative industries, 15,819 in non-creative industries.

Significance of creative industries vs non-creative industries: *0.1 **0.5 ***0.01

Significance of exporter vs non-exporter: ^0.1 ^^0.5 ^^0.01

Significance of export champion vs export non-champion: ~0.1 ~0.5 ~0.01

3.2.5 Innovation and plans to innovate

Creative MSMEs are more innovative than non-creative ones. Across the economy, exporters and export champions see higher rates of innovation in terms of developing new products and services or improving the business than non-exporters, regardless of whether they are creative.

Increasingly, the literature is linking innovation to exporting, indicating complementarity between the two (Peters and Roberts, 2022). However, innovation type – product or process – could matter (Edeh et al, 2020). MSMEs in the creative industries see higher rates of innovation than those in non-creative industries (Nana-Cheraa and Roper, 2025). In Table 3.5, we investigate the innovative profile of MSMEs depending on export status. Our comparisons confirm that, in general, creative MSMEs are more innovative across the board (across introducing a new product or service, improving aspects of the business and holding IP, except for export champions holding IP). However, percentages are statistically

higher only for the creative non-exporter group. A significantly larger share of creative MSME exporters are innovative compared with the non-exporters, when it comes to introducing new products or services or improving aspects of the business. The same applies to the non-creative MSME exporters relative to the non-exporters.

Meanwhile, when it comes to planning for further innovation (new products or improvements in aspects of the business), differences among exporters are not statistically significant: only differences among non-exporters are, with a higher incidence among creative MSMEs.

Table 3.5: Innovation profile of exporters, 2024

	Creative industries			Non-creative industries		
	Non-exporters	Exporters	Export champions	Non-exporters	Exporters	Export champions
Developed a new product or service (past 3 years)	30.3***	41.4^	48.5	20.5	38.3^	40
Significantly improved an aspect of the business (past 3 years), including investing into new systems and process or digitalisation	44.7**	58.6^^	57.3	37.6	54.9^	56.7
Holds IP or other knowledge assets on its balance sheet, such as patents, copyrights, trademarks, goodwill or other assets (e.g. software or substantial know-how)	26.3***	34.5	33.5	12.6	32.9^	36.8
Plans to develop a new product and service (next 12 months)	30.3***	36.2	56.1	18.9	39.1^	38.1
Plans to significantly improve an aspect of the business (next 12 months)	38.9**	38.5	51.4	31.3	41.6^	47.3

Source: Authors' calculations based on SMEFM 2024.

Note: A firm is considered an export champion if its exports constitute 50% or more of its annual turnover. Unweighted 2024 sample: 1,167 in creative industries, 15,819 in non-creative industries.

Significance of creative industries vs non-creative industries: *0.1 **0.5 ***0.01

Significance of exporter vs non-exporter: ^0.1 ^^0.5 ^^0.01

Significance of export champion vs export non-champion: ~0.1 ~~0.5 ~~~0.01

3.2.6 Business obstacles

Larger percentages of creative exporters and export champions classify obstacles as major barriers when compared with non-exporters, albeit with no statistically significant differences. Interestingly, the opposite is the case for non-creative exporters, where smaller (and statistically significant at 10%) percentages of exporters classify obstacles as major barriers to business (with a few exceptions: access to external finance for the business, changes in the value of sterling, and lower demand). Changes in the value of sterling affects exporters across the economy, while the incidence of obstacles like the current economic climate and cash flow or late payment as major barriers is significantly higher among creative export champions compared with exporters. .

The survey asked respondents to rate business obstacles from one to ten in terms of how much they perceive them as important, with scores between eight and ten indicating a major barrier. The list of obstacles includes the current economic climate, access to external finance for the business, legislation, regulation and red tape, issues recruiting and retaining skilled staff, political uncertainty and future government policy, changes in the value of sterling, supply chain issues, increasing costs, lower demand, and cash flow or late payment.

Table 3.6 reports proportions across sectors and export status. Exporters seem to feel obstacles differently than non-exporters. However, among creative MSMEs, larger percentages of exporters and export champions rate obstacles

as major barriers across the board relative to non-exporters. The opposite is true in the rest of the economy, where smaller percentages of MSME exporters classify obstacles as major barriers (except for access to external finance, changes in the value of sterling, and lower demand). Changes in the value of sterling seems to be a challenge for exporters across the economy. Compared with the non-creative sample, a significantly larger share of creative export champions rate the current economic climate and cash flow or late payment as a major barrier. A significantly larger percentage of creative export champions, relative to exporters, deem legislation, regulation and red tape as a major barrier, while a smaller percentage rate increasing costs as important.

Table 3.6: Business obstacles by export status, 2024

Proportion of MSMEs (%) considering obstacle as major barrier	Creative industries			Non-creative industries		
	Non-exporters	Exporters	Export champions	Non-exporters	Exporters	Export champions
Current economic climate	36.6**	41.2*	60***	29.7	28.9^	23.3
Access to external finance for the business	6.4	7.9	14.3	7.9	8.2^	7.7
Legislation, regulation and red tape	19.6	19.9	40.6***	23	21.7^	29.7
Issues recruiting and retaining skilled staff	4***	15.4	23.8	12.4	9.2^	8.5
Political uncertainty and future government policy	26.2	31.1	26.5	26.4	25^	27.1
Changes in the value of sterling	6.4*	11.8^	15.3	9	16.3^	23.1
Supply chain issues	7.7	19.2	28.4	11.2	10.6^	17.7
Increasing costs	33.2	39.9	24~	35.5	29.5^	25.4
Lower demand	11.6	20.9	13.2	9.1	12.6^	9.2
Cash flow or late payment	17.9	22.7	44.1**	18.7	16^	12.8

Source: Authors' calculations based on SMEFM 2024.

Note: A firm is considered an export champion if its exports constitute 50% or more of its annual turnover. An obstacle is categorised as 'major barrier' when scored between eight and ten. Unweighted 2024 sample: 1,167 in creative industries, 15,819 in non-creative industries.

Significance of creative industries vs non-creative industries: *0.1 **0.5 ***0.01

Significance of exporter vs non-exporter: ^0.1 ^^0.5 ^^0.01

Significance of export champion vs export non-champion: ~0.1 ~0.5 ~0.01

3.3 Multivariate analysis

The above discussion provides a detailed and descriptive unconditional comparison of an extensive set of MSME characteristics across creative and non-creative industries, as well as in relation to their export status (exporting vs non-exporting and export champions vs non-export champions). To provide comparisons that are conditional on other firm characteristics, we run simple multivariate generalised ordered logit regressions over a sample running from 2022 to 2024. We considered three possible outcomes, comparing exporting less than 50% and exporting 50% or more of the business turnover vs not exporting (used as baseline category).

These outcomes are regressed against a reduced-form model that includes, on the right-hand side, the following variables: productivity, innovation, managerial and administrative capabilities, use of finance, perception of obstacles, business size, gender of the owner, and business age. We further control for regional and sub-sectoral fixed effects. These regressions are applied to the sample of creative industries MSMEs and to the full sample so that we can compare differences between creative industries and the rest of the economy using interaction terms between creative industry status and the above list of variables.

The results from this analysis help to reveal characteristics most correlated with exporting, while holding other factors constant. It is important to emphasise that this analysis does not replace the analyses in Section 3.2, where a far larger number of characteristics are analysed, with the caveat of tests being unconditional. Necessarily, here, the list of observed characteristics is collapsed into fewer indicators, especially when it comes to issues like finance and obstacles.

The results, which are presented in Figure B1 of the online supplementary material together with 90% confidence intervals, should be interpreted strictly as associations rather than

causations. They show that for creative MSMEs, exporting is associated with holding IP rights, having a higher perception of obstacles, being a small-sized business and being one to two years of age. The latter result could be linked to the "born global" phenomenon mentioned in Section 3.2. Being an export champion rather than a simple exporter is significantly more likely if the business has introduced new products and services, more likely if the business is aged less than one year, and less likely if the business is aware of the BBB.

Some statistically significant differences between creative industries and the rest of the economy emerge. The association between exporting and introducing a new product or service in the past three years is smaller for creative MSMEs (compared with the rest of the economy). The association between exporting and having a business age between one to two years, however, is larger within creative MSMEs than in the rest of the economy. Meanwhile, the positive associations between being an export champion and (1) being productive (in terms of turnover band per employment band), (2) having knowledge assets or (3) having a written business plan are each larger for MSMEs in the rest of the economy than for those in the creative industries.

4 Conclusions

4.1 Summary

To reach export ambitions set out in the UK's Industrial Strategy and Sector Plan, both published in 2025, it is important to first take stock of how the UK's creative exports are performing and who these exporters are. Therefore, this report briefly updates key statistics on the UK's creative exports, picking up from where the last internationalisation-themed State of the Nations report on trade left off. This report then utilises survey data of MSMEs – who make up the vast majority of the creative industries – to profile enterprises that export and do so intensively, by comparing them against non-creative MSMEs or non-exporters and across various aspects.

Faced with the effects of Brexit and the Covid global pandemic, the UK's creative industries display resilience. In terms of macro-sectoral trends, the recent period of 2017–2023 has seen creative services exports rise to nearly £60 billion, around 13% of the UK's total services exports, while goods exports remain stable at around £10 billion or 2% of the UK's total goods exports. In terms of macro sub-sectoral trends, between 2018 and 2023, the levels of exports of services export-intensive sub-sectors recovered or expanded post-Covid and post-Brexit, especially 'IT, software and computer services' (reaching £34 billion in 2023), 'Film, TV, video, radio and photography' (£12 billion) and 'Advertising and marketing' (£7 billion).

Looking across both primary and future growth priority markets, the relative importance of sub-sector exports vary. In 2023, these markets accounted for more than three-quarters of the UK's creative exports in goods and services. 'IT, software and computer services', 'Advertising and marketing', 'Film, TV, video, radio and photography' and 'Publishing' remain the main exporting sub-sectors, with some variability in terms of their most common destinations. 'IT, software and computer

services' is the sub-sector that exports services to all priority markets. In goods exports, 'Crafts' is relatively more important for GCC countries, while 'Music, performing and visual arts' is relatively more important to South Korea. Notably, the EU and North America remain major partners, absorbing around 80% of the UK's creative services and 50% of the UK's creative goods exports.

In terms of micro trends observed from the SMEFM data, a higher share of UK creative MSMEs are exporters and export champions compared with the rest of the economy, with the gap widening over time between 2018 and 2024. With some heterogeneity, the share of exporters increased in the post-pandemic and post-Brexit period across sub-sectors, such as from 21% in 2018–2020 to 38% in 2022–2024 in 'Advertising and marketing' and from 31% to 40% in 'Publishing'. Furthermore, in terms of export status, in 2024 'Advertising and Marketing' and 'Publishing' saw more than one-quarter of their MSME exporters generating 50% or more of their annual turnover from exports. In 'Crafts', this share is even higher, although the total number of exporters in this sector is small.

In terms of regional distribution, most exporters are based in London, which aligns with what we know about the location of creative industries in the UK. At the same time, in terms of prevalence within each region, creative exporters and export champions are highly prevalent across all UK nations and regions.

Looking at the demographic profile of exporters, the gender imbalance between owners of creative MSME exporters and export champions is (slightly) less pronounced than in other sectors. The owners of creative exporters are, on average, younger than both non-exporters and non-creative MSME owners, with most creative owners aged between thirty-one and sixty-five and fewer over sixty-six. Over 60% of creative exporting MSMEs have been set up less than fifteen years ago, and they are smaller in size than their non-creative counterparts. A large share of creative exporters and export champions – significantly larger than for the non-creative MSMEs – fall into the one-employee band. When holding various firm characteristics constant using multivariate regression analysis, the characteristics of being small in size and aged one to two years old are significantly correlated with exporting for creative MSMEs.

For business performance, regardless of export status, a larger share of creative MSMEs have a turnover below £1 million. Meanwhile, across the economy, a significantly larger share of exporters report profits over the previous year than non-exporters: this is more prevalent and significant among creative MSMEs. Relative to the rest of the economy, fewer creative exporters report losses. Higher growth expectations are a cross-economy tendency for exporters and export champions, indicating the importance of internationalisation for growth.

When we look at managerial and administrative capabilities and public support awareness, exporters have better managerial and administrative capabilities, such as

business planning and regular reporting, than non-exporters across the economy. However, fewer creative MSME exporters have such processes in place, possibly because they are smaller in size. Also, more than one-third of creative export champions have a mentor, indicating that some degree of business support may help businesses in their internationalisation journey. Only around 10% of creative MSME exporters are aware of public support in the form of GEF.

For external financing, creative MSMEs use fewer types of financial instruments and, even when exporting, fewer of them access traditional finance. At the same time, they rely more on providers they already know, rather than reaching out to new providers, suggesting possible asymmetric and incomplete information in the credit market, even for MSMEs that have sold to international markets.

In terms of innovation, creative MSMEs are generally more innovative than non-creative ones. Exporters and export champions see higher rates of innovation for developing new products and services or improving the business than non-exporters across the economy, regardless of whether they are creative. This suggests innovation is a key success factor when it comes to achieving foreign markets.

Meanwhile, higher percentages of creative exporters and export champions find that business obstacles seriously affect their business, albeit with no statistically significant differences compared with the non-exporters. Interestingly, the opposite is true for non-creative exporters, with some exceptions. Unsurprisingly, changes in the value of sterling affect exporters across the economy. The incidence of obstacles like the current economic climate and cash flow or late payment as major barriers is significantly higher among creative export champions compared with exporters.

4.2 Policy considerations

Despite continued export growth for the UK's creative exports, bolstered more by services exports than goods exports, the creative industries are facing an increasingly uncertain global trade environment following various geopolitical changes in the region. The results in this report highlight several different policy considerations.

There is potential for complementarities between the UK's Industrial Strategy and Trade Strategy. Increasing the international competitiveness of creative businesses requires a comprehensive approach that looks at success factors and removes barriers. An important issue to consider when formulating these strategies is whether policies should always be specific to the sector. The evidence presented in this report suggests that not all issues faced by creative MSMEs are sector specific, but some are. A combination of policies that target firms because of their MSME nature alongside policies that target creative MSMEs specifically is likely needed. The following considerations are mainly inspired by the evidence of sector peculiarities when it comes to exporting by MSMEs.

Policymakers should ensure a more coordinated and holistic approach to increasing creative industries exports in the delivery of the Sector Plan. For example, the development of public support for R&D through UKRI's forthcoming Creative Industries R&D Strategy should consider how this will align with and draw on administrative and trade promotion support. Creative MSMEs are strong innovators and can benefit from public support for R&D activities.

Our evidence shows that the share of creative industry MSME exporters is increasing and that creative exporters and export champions are highly prevalent across all UK nations and regions, underlining the importance of business and export support being available close to where businesses and exporters are

located. DBT and UK Export Finance already provide such local support. In a context of devolution, local policymakers should be better placed to pulse-check the local creative industries and consider how to best coordinate local policies with existing national initiatives.

We also find that creative exporters tend to be younger and smaller than exporters in the rest of the economy. Meanwhile, exporters need a certain degree of managerial and administrative capability, which may be challenging for MSMEs. At the same time, we find that intensely exporting MSMEs see high rates of business mentoring among themselves. Hence, both national and regional policymakers could consider whether business support and mentorship programmes should be boosted to build MSMEs' management capacities and knowledge of exporting.

In this report, we consider awareness of the GEF as a proxy of public support awareness and show that only (few) exporters know about it. Several reasons may cause this, including the eligibility criteria (i.e. the GEF targets businesses that already have exported beyond a certain level in the past few years). Other programmes may target businesses that export more sporadically or are planning to become exporters but have not yet been. Some successful examples come from sub-sector-specific programmes like the UK Global Screen Fund and the Music Export Growth Scheme. The more general takeaway is that raising awareness around key export support programmes among those still not aware of them can further expand creative industries exports.

With regards to the financing profile of exporters, the evidence suggests that exporters are not more likely to access further financing opportunities. Instead, it points in the opposite direction, confirming previous findings in Di Novo et al (2022) where innovation is not perceived as a sufficiently strong signal by funders in making funding decisions. The relationship between exporting and access to finance may not be specific to creative industries but instead generally shared among MSMEs, which means there is no magic bullet to address the issue. As discussed in a [Global Trade Review blog](#), it will likely require different interventions ranging from direct support to regulatory changes. Further evidence and input

from sector representatives are needed to help identify whether and if specific regulatory interventions and new financial instruments are needed when it comes to the creative industries.

Finally, creative exporters and export champions feel the current economic climate as an obstacle more than businesses in the rest of the economy. Setting out clear public strategies for the sector, like those in the Sector Plan, and stabilising international trade uncertainty through agreements will hopefully reduce these concerns over time and encourage MSMEs to internationalise.

4.3 Future research

This report has highlighted key trends among MSME exporters in the creative industries in comparison to those in the rest of the economy, but more rigorous statistical analyses are needed to establish the true direction and magnitude of the relationship between exporting, finance and innovation. Does selling abroad help the UK's creative MSMEs learn to innovate? Or do they export only after they start innovating? How does access to finance fit into this export-innovation nexus?

Although the repeated cross-sectional data of the SMEFM dataset is rich for understanding sector-level trends, the longitudinal nature of the Longitudinal Small Business Survey allows future studies to establish causality by comparing individual enterprises before and after exporting, accessing finance or innovating, all while controlling for various business characteristics and time trends. Better understanding of such links can allow more precise tailoring of finance and trade policy instruments that optimise for growth, specifically in the four frontier industries identified in the Sector Plan: film and TV; video games; music, performing and visual arts; and advertising and marketing. Another area for future research is to examine whether programmes should be generally targeting MSMEs or supporting specific sectors.

Examples of successful sub-sector-specific programmes already exist, such as the UK Global Screen Fund and the Music Export Growth Scheme.

In line with the Sector Plan's prioritisation of export destinations, future work can fund another similar survey to that used in Di Novo et al (2021) to reveal export destinations that creative MSMEs are aiming for and direct trade promotion efforts accordingly. Such research could also more precisely identify which export champions are already best positioned for the UK creative industries' primary and future growth markets, along with the respective business-specific obstacles they face. Identifying business obstacles for each sub-sector-destination combination will help to more precisely address them and accelerate exports.

Glossary

The **'born global' phenomenon** occurs when an enterprise is incorporated with a global ambition in mind and immediately seeks to export.

Export champions in this report refers to enterprises whose exports make up the majority – 50% or more – of their annual turnover.

Export financing refers to a range of financial products and services designed to support businesses in selling goods and services to international markets by helping to manage risks and cash-flow challenges. This includes export credit insurance to protect against the risk of non-payment by foreign buyers and export factoring to cash in export receivables immediately at the discount.

Freelancers are self-employed workers on project-based work. This is a work model common in the creative industries, characterised by short-term contracts.

MSMEs in the UK in 2024 include enterprises that employ fewer than 250 employees and have less than or equal to £44 million in annual turnover or have a balance sheet total of less than or equal to £38 million.

Micro businesses are small enterprises with fewer than ten employees. They dominate the creative sector and are often underrepresented in publicly available data.

Proportion tests allow the statistical testing of whether the proportion of a population with a characteristic is of a certain value, whether proportions for different characteristics within the same population are the same, or whether proportions of different subsamples for the same characteristic are the same. When unconditional, the proportion test is done without simultaneously controlling for a variety of other characteristics (which might be correlated), such as enterprise age or size.

Abbreviations and acronyms

ASEAN	Association of Southeast Asian Nations	BBB	British Business Bank
DBT	Department for Business and Trade	DCMS	Department for Culture, Media and Sport
EU	European Union	FAME	Financial Analysis Made Easy
GCC	Gulf Cooperation Council	GEF	General Export Facility
IP	Intellectual property	IT	Information technology
ONS	Office for National Statistics	MSME	Micro, small and medium-sized enterprise
R&D	Research and development	SIC	Standard Industrial Classification
SMEFM	SME Finance Monitor	TV	Television
UK	United Kingdom	UKRI	UK Research and Innovation
US	United States		

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SME Finance Monitor

SMEFM quarterly survey data for selected variables 2018 Q1–2024 Q4 that include enterprise SIC codes are purchased from BVA BDRC. A full-variable dataset for 2022 Q3–2024 Q4 that does not include enterprise SIC codes is safeguarded and accessible through [UK Data Service](#) for accredited researchers..

Data statement

Aside from SMEFM data, the datasets used in this report are freely available via the links provided.

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The Royal Society of Arts, 8 John Adam Street, London, WC2N 6EZ

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