



Creative Industries present huge investment opportunity

- new research shows ‘high-growth potential firms’ outnumber both Life Sciences and Advanced Manufacturing

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New research, published today by the Creative Industries Policy and Evidence Centre (Creative PEC) shows that the Creative Industries account for almost a tenth of UK firms classified as having ‘high-growth potential’, higher than 5.1% and 2.4% respectively for Life Sciences and Advanced Manufacturing.

The report was welcomed by Ian Murray, Minister of State for Media, Tourism and Creative Industries, at the Big Creative UK Investment Summit, with Baroness Shriti Vadera co-chair of the Creative Industries Council, and Tom Adeyoola, Executive Chair of Innovate UK also welcoming the report and the new findings showing the huge untapped investment potential of the UK’s creative industries.

Baroness Shriti Vadera, co-chair of the Creative Industries Council says: “This research fills a critical gap in the evidence base, making clear that there are substantial untapped investment opportunities in the UK’s high-growth Creative Industries - across a wide range, from Advertising, Films & TV to Video Games and Software.”

Tom Adeyoola, Executive Chair of Innovate UK says: “This is an important report as we aim to drive economic growth and ensure a thriving Creative Industries sector. This helps us

understand who and where the high potential businesses are, the conditions for success and how to target the interventions needed to drive our breakthrough ideas to global greatness.”

The report, by the Creative Industries Policy and Evidence Centre (Creative PEC) in partnership with Beauhurst, a leading source of data on businesses, reveals the scale of the investment opportunity not only in areas such as Application Software, whose scalable models have attracted equity investors, but also in areas like Advertising, Films and TV, Video Content and Video Games, where considerable numbers of Creative Industries firms are already enjoying high-growth performance.

Key findings:

- **Scale:** There are almost 6,000 High-Growth Potential Firms (HGPFS) operating across the Creative Industries, accounting for almost a tenth (9.7%) of the UK’s total HGPFS. This compares with 5.1% and 2.4% respectively in Life Sciences and Advanced Manufacturing.
- **Sub-sectors:** Over two-thirds (3,981) of Creative Industries HGPFS operate in Application Software, with significant numbers too working in Marketing, Branding and Advertising, Films & TV and Video games (which correspond to three of the four “frontier industries” within the Creative Industries identified in the Industrial Strategy).
- **Regional variations:** Creative Industries HGPFS are disproportionately concentrated in London and England’s major cities compared with Life Sciences and Advanced Manufacturing. London accounts for half of Creative Industries HGPFS (2,942), with regions such as the North West (378), South West (362) and East (354) also hosting significant numbers.
- **Equity-gap:** The number of equity deals for Creative Industries HGPFS fell by 16.5% between 2021 and 2024 (compared to drops of 6.0% for Life Sciences, 14.0% for Advanced Manufacturing HGPFS and 30.6% for the economy as a whole). This helps explain why previous estimates published by the Creative PEC suggest there is a significant shortfall in funding in the Creative Industries – an equity gap – of up to as much as £1.4bn in potentially unmet demand.
- **Debt finance:** Creative Industries HGPFS face structural challenges in relation to debt finance. Creative Industries firms more generally are more likely to have asset bases

that are made up of intellectual property, brands and other forms of intangible capital which banks and lenders are less likely to accept as collateral. Consistent with this, only 4% of Creative Industries HGPFs have secured debt finance compared with 6.1% and 6.2% of Life Sciences and Advanced Manufacturing HGPFs respectively.

Outside London and the South East, which dominate the creative high-growth potential landscape because of their world-leading universities, infrastructure and proximity to clients and investors, significant communities of high-growth potential Creative Industries firms are seen in the North West and East of England too. But some parts of the UK like the North East of England, East and West Midlands, Wales and Northern Ireland, currently host few very Creative Industries High Growth Potential Firms (HGPFs). This suggests policymakers in these regions have more work to do if they are to realise their Creative Industries growth ambitions, according to the new report, which is the first of its kind to map the UK's Creative Industries high-growth potential firms and compare them with other priority sectors in the Government's Industrial Strategy.

Hasan Bakhshi, Director Creative PEC and report co-author says:

“There are somewhere between 260,000 and 270,000 firms in the UK's Creative Industries but not all of them have the same growth potential. Our research estimates that within this population are a vital group of almost 6,000 businesses that have especially high-growth potential. Given the UK's well-known strengths in IT, it won't be surprising to investors that the majority of these firms operate in Software, but less well known will be that as many as 30% of Creative Industries High-Growth Potential Firms working in Software work in sub-sectors like Advertising, Films & TV, Video content and Video games too. This suggests that investors may identify significant new investment opportunities if they include the Creative Industries within the scope of their prospecting activities. Growth-focused policymakers for their part should consider the needs of High-Growth Potential Creative Industries firms in their regions.”

Findings from the report will be discussed at a high-level policy roundtable at the Creative UK Big Investment Summit on 17 February. This report is the first output from the Creative PEC's collaboration with Beauhurst: the second report will look at the characteristics of Venture Capital funds that invest in the Creative Industries.

The report 'High-growth potential firms (HGPFs) in the Creative Industries' is by Hasan Bakhshi, Callum Newton, Maarya Omar, Justin Tsui & Henry Whorwood and is published by the Creative PEC in collaboration with Beauhurst. The Creative PEC is funded by the UKRI Arts and Humanities Research Council (AHRC).

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Download the report: https://pec.ac.uk/research_report_entr/high-growth-potential-firms-in-the-uks-creative-industries/

(live from 09.00 Thursday 17 February 2026, UK time)

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

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Notes to editors

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

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

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2. About Beauhurst

Beauhurst sources, extracts and packages data from thousands of locations to create the ultimate private company database for the UK and Germany.

3. About The UKRI Arts and Humanities Research Council

The UKRI Arts and Humanities Research Council (AHRC), part of UK Research and Innovation, funds internationally outstanding independent researchers across the whole range of the arts and humanities: history, archaeology, digital content, philosophy, languages and literature, design, heritage, area studies, the creative and performing arts, and much more. The quality and range of research supported by AHRC works for the good of UK society and culture and contributes both to UK economic success and to the culture and welfare of societies across the globe.