State of the Nations
research series

TRADE RESTRICTIONS AND UK CREATIVE SERVICES

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MIGRATION IN UK CREATIVE OCCUPATIONS AND INDUSTRIES

State of the Nations research series

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Foreword

With the headline-grabbing announcements of tariffs on goods imports by the second Trump administration, it is only natural that policy discussions on international trade have focused on goods. This is understandable: UK goods exports to the US generate around £60 billion in revenues,[1] and any retaliatory measures by the UK and other trading nations risk depressing global trade flows to the detriment of all. Nevertheless, services now account for 59% of the UK's total exports,[2] meaning that policymakers cannot afford to overlook the barriers that shape services trade too. This is especially true for the creative industries, where services account for as much as 83% of exports.[3]

Our latest State of the Nations report examines these barriers through the lens of the OECD's Services Trade Restrictiveness Index (STRI). This valuable set of indicators measures how restrictive countries' policies are towards international trade in services across a wide range of dimensions, including restrictions on foreign market entry, the movement of people and competition and domestic regulation. We also analyse the OECD's Digital Services Trade Restrictiveness Index (DSTRI), which focuses specifically on barriers affecting digital services.

In previous State of the Nations reports, we have noted that international trade is one of the least researched areas of creative industries policy. We hope this latest contribution helps further address that gap by informing debate on how the UK can strengthen its creative services exports and, in doing so, support the ambitions set out in the UK Government's Creative Industries Sector Plan.

Professor Hasan Bakhshi,
Director, Creative PEC

1. Trade and Investment Core Statistics Book, 2026: Trade and investment core statistics book – GOV.UK
2. Trade and Investment Core Statistics Book, 2026: https://www.gov.uk/government/statistics/trade-and-investment-core-statistics-book/trade-and-investment-core-statistics-book
3. Cultural and Creative Industries Stats – Q1 2025 26, Creative UK: Cultural and Creative Industries Stats – Q1 2025 26 – Creative UK

Executive summary

This report provides an analysis of services trade exports by UK creative exporters and the restrictions that these exporters face internationally when exporting to destination countries. Increasing exports is one of the central aims of the Creative Industries Sector Plan (Department for Business and Trade [DBT] and Department for Culture, Media and Sport [DCMS], 2025), part of the UK's Modern Industrial Strategy (DBT, 2025a), and in order to achieve this aim, the Sector Plan seeks to strengthen the UK's trading relationships with its current major trading partners (primary markets) as well as to build and grow relationships with fast-growing economies (future growth markets). This requires tackling the key international barriers faced by UK creative businesses in accessing these markets, especially for creative services, which in 2023 accounted for 13% of total UK services exports (Simandjuntak et al., 2025).

The analysis uses official creative industries export data from DCMS in conjunction with OECD data from its **Services Trade Restrictiveness Index (STRI)**, which quantifies the degree to which regulations affect trade in services. When it comes to services trade, tariffs are less important, and the trade that matters pertains more to the ability of suppliers to provide services abroad by setting up affiliates or sending people to deliver services or set up contracts.

Usefully, the STRI data is disaggregated into:

- '**Restrictions on foreign entry**' (such as limitations on foreign equity, quotas on broadcasts and airtime and limitations on downloading/streaming);
- '**Restrictions to movement of people**' (such as limitations on duration of stay for contractual services suppliers, and labour market tests and quotas);
- '**Barriers to competition**' (such as restrictions on sales, exemption of publicly controlled firms from competition law and limitations on advertising);
- '**Regulatory transparency**' (such as transparency of licences and procedures for registering companies); and
- '**Other discriminatory measures**' (such as less favourable treatment of foreign suppliers regarding taxes and local sourcing requirements, and other forms of restrictions).

Additional restrictions may apply to digital trade. Hence, we also use OECD data from the **Digital Services Trade Restrictiveness Index (DSTRI)**, which measures restrictions covering:

- '**Infrastructure and connectivity**' (such as restrictions and prohibition of cross-border data flows);
- '**Electronic transactions**' (such as restrictions on online tax registration and electronic signatures);
- '**Payment system**' (such as restrictions on internet banking and insurance);
- '**Intellectual property rights**' (such as discrimination against foreign firms on trademark protection); and
- '**Other barriers affecting trade in digitally enabled services**' (such as limitations on downloading and mandatory use of local software).

In our analysis, we focus on both primary markets (including North America, the EU, India, China, Australia and Japan) and future growth markets (including South Korea, Singapore, Indonesia and Brazil), as identified in the Creative Industries Sector Plan.

Overall, this report provides a detailed understanding of the breadth and depth of the challenges faced by creative services exporters in the UK.

Summary of findings

Where do UK creative services exports go?

Creative services exports are concentrated in a few primary markets, like the USA and the EU. In contrast, only around 2% of the UK's creative services exports were to future growth markets in 2019–2023, which suggests that the opportunity for export growth is large. North America was the main destination for the 'IT, software and computer services', 'publishing' and 'music, performing and visual arts' creative industries sub-sectors' services exports, although the EU was the main destination in the case of the 'film, TV, video, radio and photography', 'advertising and marketing' and 'design and designer fashion' sub-sectors. Within the EU, Germany, Ireland, France and the Netherlands were among the main export destinations. Outside these, other important destinations for UK creative services exports included the Gulf Cooperation Council countries (in particular, Saudi Arabia) for 'architecture' and China for 'publishing'. This highlights that the main market opportunities for growth in creative services exports may vary by sub-sector.

How strong are restrictions on creative services exports, and do they affect some sub-sectors more than others?

Services trade restrictions vary by market, being generally lower in primary markets and higher in future growth markets. However, the level of restrictions decreased in future growth markets in the 2015–2025 period. Indeed, in 2025, for some future growth markets (such as Singapore), STRI values were similar to the average in primary markets, suggesting that restrictions may not be the only reason for the lower UK creative services exports to some future growth markets.

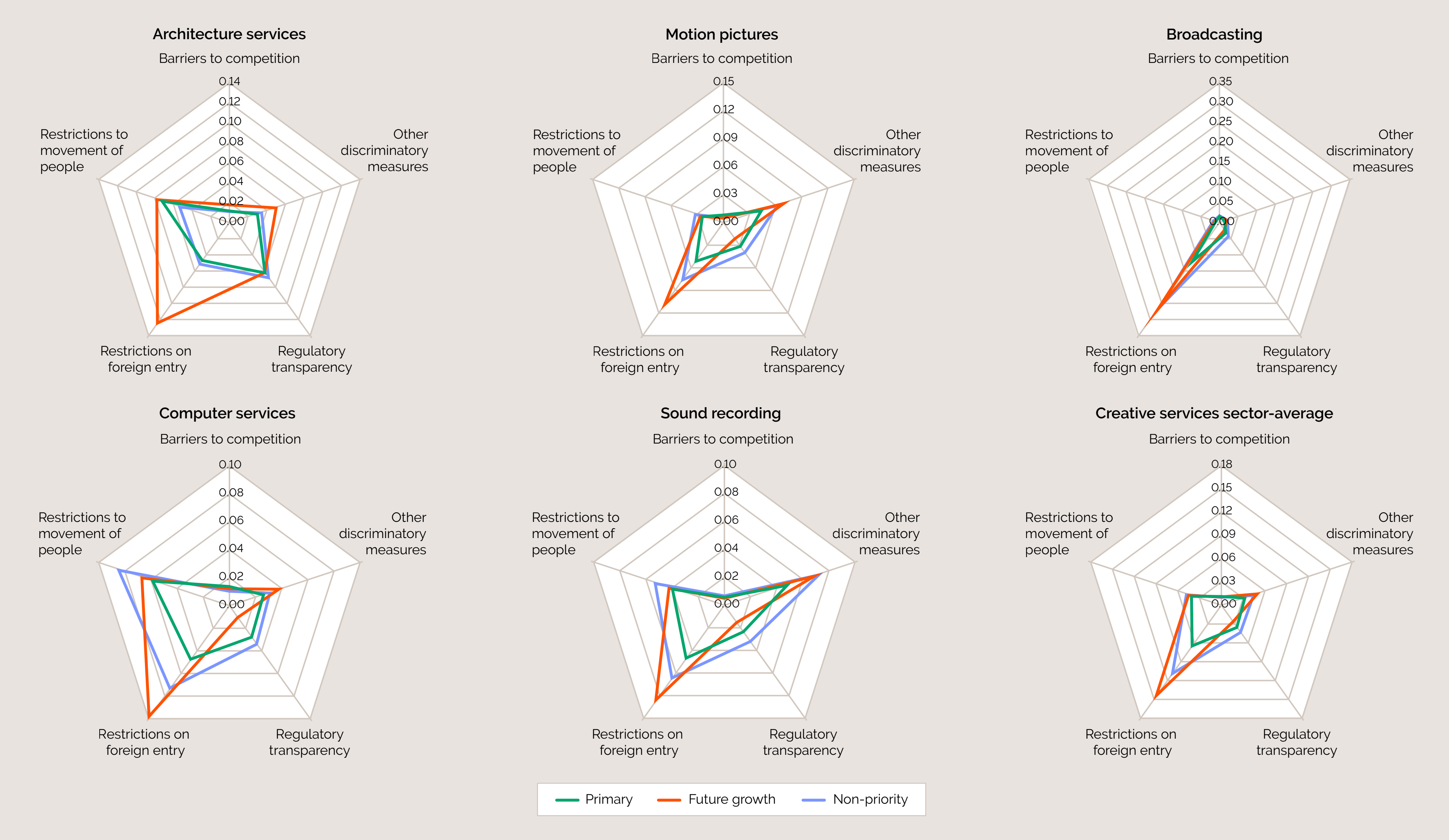
The OECD STRI provides sub-sector breakdowns for architecture services, motion pictures, broadcasting, sound recording and computer services. The average STRI values rose slightly over the 2015–2025 period in all these sub-sectors, suggesting that barriers have increased for creative exporters. This contrasts with relatively static STRI values for UK services more generally. Despite this, the creative industries have seen their share of UK services exports increase over time, which is a testament to their strength and indicates their potential for further growth if these barriers are addressed.

However, restrictions vary across sub-sectors and markets. In both primary and future growth markets, the level of restrictions was highest in architecture services and broadcasting over the observed period. For the motion pictures, sound recording and computer services sub-sectors, restrictions increased in primary markets, but decreased in future growth markets.

What are the most important restrictions?

Looking across types of restriction, the component with the highest average STRI across all markets in 2025 was 'restrictions on foreign entry' (see Figure E1, where larger values indicate higher levels of restrictions). This was the biggest restriction for each of the sub-sectors in the future growth markets, and it was dominant in the motion pictures and broadcasting sub-sectors in the primary markets. Other notable forms of restriction for future growth markets overall were 'restrictions to movement of people' and 'other discriminatory measures'. For primary growth markets, 'restrictions on foreign entry' and 'restrictions to movement of people' also had relatively large STRI values. In the latter case, values were not too dissimilar to those for future growth markets. Taken together, these figures show heterogeneity in the key restrictions across creative sub-sectors and across primary and future growth markets.

Figure E1. STRI by creative sub-sector, type of restriction and type of market, 2025



Source: Authors' calculation of STRI policy component values by creative services sub-sector, type of restriction and type of market, based on OECD STRI by services sector
Note: Countries are grouped according to UK creative industries market status, as identified in the Creative Industries Sector Plan (DBT and DCMS, 2025).

What are the trends in digital services restrictions?

In previous State of the Nations reports, we have noted that creative industries services trade is increasingly digital and that the UK is a major digital trade exporter (Fazio et al., 2024). In contrast to their STRI values, the OECD DSTRI for both primary and future growth markets drifted upwards over the period from 2015 to 2025, albeit to a larger extent for primary markets. Although the DSTRI cannot be broken down by creative sub-sector in the same way as the STRI, it can be split into different restriction components, and this shows that the tightening in restrictions was driven by 'infrastructure and connectivity' (which includes cross-border data flows and data localisation) and 'other barriers affecting trade in digitally enabled services' (which includes limitations on downloads and online advertising) in both future growth markets and, to a lesser extent, primary markets. This evidence points to the array of restrictions facing UK creative digital services exporters and how these types of restriction are common across the different market types.

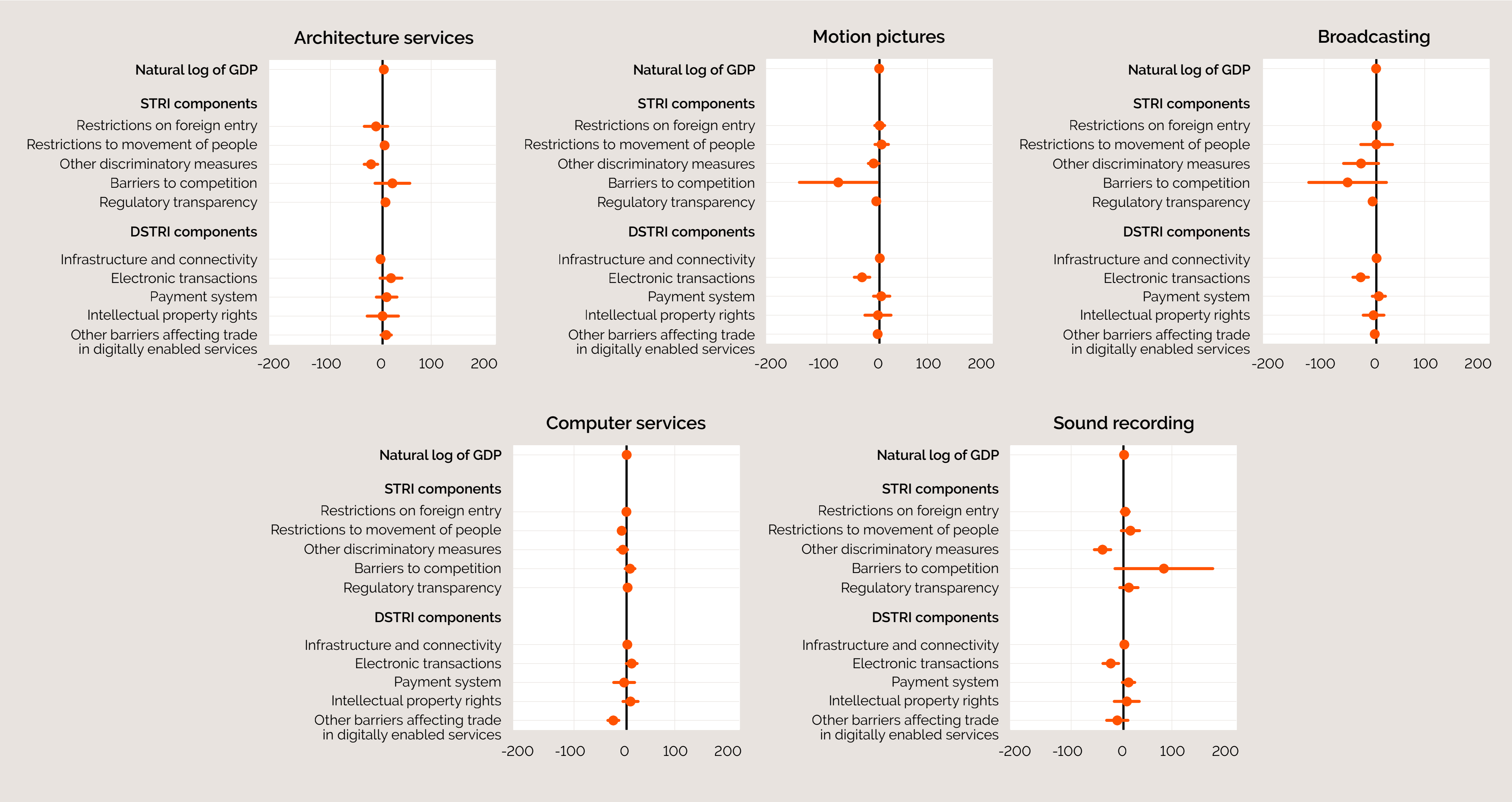
How large is the impact of services trade restrictions on creative services exports?

We examined the determinants of creative services export flows to overseas markets by estimating gravity model regressions. The basic idea – in analogy with Newton's law of gravity, which states the gravitational force between two objects increases with their mass and decreases with distance – is that trade between two countries will tend to increase with economic size and decrease with distance, where distance can be along both geographical and cultural dimensions (such as whether the countries share a common language). The gravity model estimates confirm that across creative industries sub-sectors, different restrictions impact on UK creative services exports. This is shown in Figure E2, where values that do not cross the 0 vertical line are statistically significant; that is, they are deemed to have an impact on creative services exports. Values to the right of the vertical line denote positive effects, and those to the left denote negative effects.

Notably, restrictions relating to 'regulatory transparency' have statistically significant negative impacts for the motion pictures and broadcasting sub-sectors, and this is also the case with 'barriers to competition' for the former. 'Restrictions to movement of people' negatively impact export volumes in computer services. 'Other discriminatory measures', such as foreign suppliers being treated less favourably regarding taxes and local sourcing requirements, reduce export levels in architecture services, motion pictures and sound recording.

Restrictions that relate specifically to digitally delivered services are also found to impact negatively across the creative sub-sectors. This includes significant negative relationships between 'electronic transactions' (which can include restrictions on online tax registration and electronic signatures) and exports in the motion pictures, broadcasting and sound recording sub-sectors; 'infrastructure and connectivity' restrictions (which can include restrictions and prohibition of cross-border data flows) and exports in architecture services; and 'other barriers affecting trade in digitally enabled services' (which covers restrictions on downloading, streaming and online advertising and the requirement of a local presence) and exports in computer services. Together, these findings highlight, again, that different forms of restriction impact on different creative services sub-sectors. The implication is that a reduction of these restrictions would have a significant positive impact on the exports of UK creative services.

Figure E2. Results of the gravity model of the UK's annual bilateral creative services exports by creative sub-sector for countries with STRI and DSTRI components
Separate sub-sector regressions with STRI and DSTRI components



Notes: The dots in each plot show the coefficient of each variable on UK creative services exports (in £ million) (DCMS Sectors Economic Estimates; DCMS, 2025) for the 'architecture', 'film, TV, radio and photography', 'IT, software and computer services' and 'music, performing and visual arts' sub-sectors. Dots to the right of the 0 vertical axis indicate a positive effect, and dots to the left indicate a negative effect. If the 90% confidence interval lines associated with each plot do not cross the 0 vertical axis, this indicates that the effect is statistically significant.

Are there key regulatory themes within services trade restrictions?

Due to the high degree of complexity of multilateral trade negotiations, greater levels of trade can also be facilitated through bilateral or regional discussions. For example, the UK is currently engaged with the EU in multiple discussions on the Trade and Cooperation Agreement. With the EU being one of the primary priority markets for UK creative services exports, the UK's creative industries would be expected to benefit greatly from the expansion of opportunities that would be brought about through the reduction of restrictions on services trade in EU countries.

To investigate this, we looked at the underlying textual database that the STRI measures analysed earlier are calculated from, which records the barriers and regulatory requirements that can restrict foreign services providers. We undertook a topic modelling analysis of this textual database that scanned the text to identify key regulatory themes and the associated key words linked to these themes. This was undertaken for creative services trade in EU countries, and as shown in Figure E3, the topic modelling uncovered several distinct themes: 'media use and reproduction', 'data protection', 'procurement', 'employment permit and visa', 'competition law' and 'copyright and IP [intellectual property]'. When compared with the UK's non-EU priority markets, the themes of 'competition law' and 'copyright and IP' emerged as being especially prominent in the EU, highlighting that UK exporters to the EU must in general exert additional efforts to navigate regulatory environments governing competition and protection of IP.

Figure E3. Main themes of restrictions in EU countries (highest topic probability), 2025

Source: Authors' calculation using topic modelling on the OECD STRI Regulatory Database (http://oe.cd/stri-db) for 2025 in five creative sub-sectors: architecture services, computer services, motion pictures, sound recording and broadcasting

Summary of findings

- **UK creative services exports are concentrated in a few primary markets, mainly the USA and the EU.**

  Conversely, future growth markets received only around 2% of UK creative services exports in 2019–2023. These markets have the potential for significant economic growth and hence provide opportunities for increased trade.

- **In recent years, trade restrictions increased in primary markets for key creative sub-sectors.**

  Computer services, motion pictures and sound recording sub-sectors experienced increased restrictions in primary markets, but restrictions decreased in future growth markets. In general, restrictions remain lower in primary markets.

- **Different forms of trade restrictions are evident across sub-sectors and market types.**

  In recent years, the 'restrictions on foreign entry' component was prevalent across all sub-sectors in future growth markets and a dominant form of restriction in some primary markets. 'Restrictions on the movement of people' was found to impact negatively on UK creative services exports in computer services, and 'other discriminatory measures' against foreign firms was found to impact negatively on exports in the architecture services, motion pictures and sound recording sub-sectors.

- **Restrictions on digital services trade increased over the decade from 2015 to 2025, and there is variation in how digital restrictions impact individual sectors.**

  Both primary markets and future growth markets saw greater digital services trade restrictions. This was driven by restrictions relating to 'infrastructure and connectivity' (which includes restrictions on cross-border data flows and data localisation) and 'other barriers affecting trade in digitally enabled services' (which includes limitations on downloads and online advertising). There is evidence that digital restrictions have a negative impact on UK services exports in the form of 'electronic transactions' restrictions for the motion pictures, broadcasting and sound recording sub-sectors. There is also evidence that 'infrastructure and connectivity' restrictions impact negatively on exports for architecture services, and that restrictions on downloading, streaming and online advertising and the requirement to have a local presence impact negatively on exports for computer services.

- **Multiple regulatory themes are associated with exporting to the EU.**

  These themes are 'media use and reproduction', 'data protection', 'procurement', 'employment permit and visa', 'competition law' and 'copyright and IP'. Compared to non-EU primary markets, the regulatory themes of 'competition law' and 'copyright and IP' are more prominent in the EU.

Policy considerations

The Creative Industries Sector Plan aims to boost exports in both established and emerging markets, but realising these ambitions requires overcoming significant challenges from global trade uncertainty, geopolitical tensions and, as this report shows, persisting services trade barriers. An overarching implication is that there is an overall need to strengthen trade diplomacy and trade support for creative industries exporters. The upcoming UK-EU trade review presents a clear opportunity to ease trade barriers around, for example, mobility of professionals and recognition of qualifications, which act as restrictions to the movement of people and, as shown by the analysis in this report, are important elements of trade restrictions.

At the same time, there is great potential for the UK's creative industries services exporters to deepen their presence in future growth markets, where trade levels remain low. Achieving this will require intensified diplomatic efforts, including high-level political engagement. Opportunities also exist at the multilateral level, particularly within the World Trade Organization (WTO), where the UK could leverage its strong international reputation, and soft power (Ogier, 2025), to help reduce services trade barriers, as highlighted by the recent submission by the UK delegation to reform the WTO to make it more relevant and flexible, especially in the case of negotiating further services commitments to reflect their central role in the global economy.

Domestically, the ongoing refresh of the Creative Industries Trade and Investment Board offers a chance to promote the visibility of UK creative industries in international markets and to gather and convey to policymakers the creative industries' distinctive needs when it comes to trade support and the removal of barriers, especially in forthcoming trade negotiations.

1 Introduction

The UK's Modern Industrial Strategy has recognised the creative industries as one of the UK sectors with the highest potential for delivering future economic growth (Department for Business and Trade [DBT], 2025a). In the words of the Creative Industries Sector Plan, which is a central part of the Industrial Strategy, the sector is seen as 'globally competitive' and the government aims to 'cement the UK's position as a global creative superpower' (DBT and Department for Culture, Media and Sport [DCMS], 2025). Indeed, the data shows that the UK creative industries are highly internationally competitive and net contributors to the UK trade position, especially when it comes to services. As net exporters of creative services, the creative industries accounted for a large share (13%) of all UK services exports in 2023 (Simandjuntak et al., 2025).

The Sector Plan explicitly states the objective of increasing trade and exports as a means of maintaining the international competitiveness of the UK's creative industries. Hence, the Sector Plan aims to grow exports and investment and to maintain strong trading relationships with the main trading partners while also diversifying exports by 'building new and deepening partnerships' with markets where there are rapidly growing creative economies (DBT and DCMS, 2025).

However, cementing or expanding international trade comes against the backdrop of an increasingly protectionist and volatile global trading environment (World Trade Organization [WTO], 2025), as recognised by the UK's Trade Strategy (DBT, 2025b). The post-Brexit trade policy adopted by the UK has led to the signing of new free trade agreements (FTAs) pivoting trade policy interests to Indo-Pacific markets (Japan; the countries of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership or CPTPP), large emerging economies (like India) and regional blocs (like the Gulf Cooperation Council, GCC) and putting more focus on services and digital trade. Box 1 provides further details on FTAs.

Box 1. FTAs

The first post-Brexit FTA was the UK-Japan Comprehensive Economic Partnership Agreement (CEPA) (DBT, 2020) which entered into force in January 2021. This allows moderate to high mobility, but with no automatic recognition of qualifications, and performing arts and entertainment mobility remains controlled. While this FTA allows for architecture, advertising and games/IT services to be highly open, publishing services are moderately open, subject to intellectual property (IP) rules and regulatory frameworks, and audiovisual services are highly restricted due to strong cultural reservations (each side can impose quotas, restrict foreign content and subsidise domestic media). Therefore, CEPA liberalises commercial creative services (architecture, advertising, games/IT) but protects cultural sectors (especially audiovisual) (Foreign, Commonwealth and Development Office, 2020). This pattern is also broadly prevalent in the other FTAs discussed here. The importance of CEPA lies in its advanced digital trade and e-commerce chapter, which goes beyond the earlier EU-Japan Economic Partnership Agreement and aligns with newer digital trade models (later refined in the CPTPP). The chapter guarantees free cross-border data flows and restricts unjustified data localisation requirements, so firms can store and process data across borders and operate cloud services more freely; ensures data privacy protection, important for online services and digital platforms; prohibits governments from requiring disclosure of source code as a condition of market access, which is crucial for software firms, game developers and artificial intelligence (AI) companies; prohibits custom duties on software downloads and digital media; and facilitates e-commerce.

The bilateral FTAs with Australia and New Zealand, which entered into force in May 2023, are considered deep FTAs with wide service liberalisation (including for creative services like architecture, advertising and publishing), strong mobility (including youth mobility schemes, expanded working rights and streamlined visa processes, meaning that these FTAs are among the most liberal mobility arrangements) and digital trade provisions (the agreement with New Zealand has one of the most advanced digital chapters).

The CPTPP, which was set up by eleven Asia-Pacific countries,[4] entered into force in December 2024; the UK is the first European country to join.[5] The CPTPP has moderate mobility provisions but gold standard digital trade and data provisions, including non-discriminatory treatment of digital products, which is not included under CEPA; free flow of data across borders; a ban on data localisation, with some exceptions; and source code protection (Morita-Jaeger, 2021).

The UK-India Comprehensive Economic and Trade Agreement (CETA), signed on 24 July 2025 but not in force yet, also covers mobility and digital trade (though the digital provisions are more limited compared to the FTAs already mentioned due to India retaining regulatory

4. The founding countries are Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam.

5. The UK's accession to the CPTPP has not been a single moment of full multilateral ratification; rather, it has proceeded as a staggered, bilateral entry into force process, with market access becoming operational progressively as individual members ratify. Most recently, Mexico ratified in 2026, with entry into force on 22 June 2026, meaning that the UK's accession to the CPTPP has entered into force with all countries but one. Canada will be the last CPTPP country to complete the ratification and implementation process for the UK's accession. Canada's implementing legislation was given royal assent on 6 May 2026, but it still requires a few procedural steps before entering into force, which is envisaged as happening later in 2026.

sovereignty). It commits the two countries to create a Professional Services Working Group to support further dialogues on the mutual recognition of professional qualifications (MRPQ), which has importance for, among others, architecture services. Even though the arrangements tend to be asymmetric, with the UK more open than India, the MRPQ commitment is still important because, notably, the UK has a limited existing framework of MRPQ arrangements with trade partners; it has no such provisions with the EU, for example (Business and Trade Committee, 2026). CETA also enhances copyright protections that will support the creative sector, including a commitment that works will continue to be protected for at least 60 years (DBT, 2025c). This allows UK exporters to feel confident about exporting to India.

Finally, the most recent FTA is the multilateral agreement with the GCC countries (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates [UAE]), agreed on 20 May 2026, but not yet finalised in a legal FTA text signed and ratified by all parties. This is the first trade agreement between a G7 member and the GCC. It will likely cover stronger copyright protections for creative industries businesses, although the Gulf States may maintain exceptions and restrictions on the cultural and media sectors. As for India, even though the GCC countries may retain control over the labour market, allowing only partial mobility, they are likely to commit to entering into discussions with the UK on the recognition of professional qualifications. In the digital chapter, the parties agreed to facilitate the free flow of data, prohibit unjustified data localisation and prevent the forced disclosure of source code information.[6, 7]

While the same policy aims and challenging environments apply to trade in both goods and services, the latter is of particular interest for the UK creative industries given the dominance of services exports in the sector (Simandjuntak et al., 2025). In this respect, it is important to note that services trade operates in radically different and more complex ways, and often under different rules, compared with goods trade. Box 2 explains and provides some examples of the different modes of services trade as well as highlighting the variety of possible non-tariff restrictions that can shape creative services trade patterns, which span a range of measures from regulatory barriers to quotas, limitations on people mobility and capital flows restrictions.

6. UK Government, *UK and Gulf strike historic multi billion pound trade deal* (20 May 2026); see also Dentons, *Spotlight: The UK-Gulf States Free Trade Agreement* (2 June 2026), noting commitments on cross border data flows, prohibition of data localisation requirements and protections for source code.

7. The FTAs discussed here are the comprehensive trade agreements achieved post Brexit. The discussion therefore excludes the digital-focused UK-Singapore Digital Economy Agreement, entered into force in June 2022, and the UK-Ukraine Digital Trade Agreement (a digital upgrade to an existing FTA), entered into force in September 2024.

Box 2. Modes of services trade and examples of business models and trade restrictions

Mode	Explanation	Examples of business models	Examples of trade restrictions
Mode 1: Cross-border supply	The consumer and the supplier stay in their respective countries, and the service is delivered remotely across the border.	An advertising agency in Newcastle runs an ad campaign for a US brand in the USA, or a music producer in London delivers a mixed album to a label in Seoul.	There are data localisation requirements to store data in the destination country, or there are quotas on how much foreign content can be supplied locally.
Mode 2: Consumption abroad	The consumer travels to the supplier's country of residence to consume the service.	A US theatre producer travels to Edinburgh to scout new productions for Broadway, or a German game publisher travels to a London industry event.	Immigration rules make it difficult for UK artists to tour in the EU, or an EU-based publisher faces legal complexity when entering licensing agreements.
Mode 3: Commercial presence	A company establishes a physical presence in another country to deliver services via branches, affiliates or subsidiaries.	A British publisher opens a subsidiary in Mumbai to commission South Asian writers, or a UK architectural firm sets up a branch in Dubai to deliver design and infrastructure projects to Gulf countries.	A complex regulatory environment, especially in media and publishing, makes it costly and uncertain to establish a commercial presence, or operating through a local sponsor is required, limiting independence and complicating financial and legal arrangements.
Mode 4: Presence of natural persons	An individual travels abroad to deliver a service.	A Leeds photographer travels to Japan for a residency, or a Cardiff set designer goes to Italy to work on a film production.	Immigration rules make it difficult to work on short-term contracts and freelance, or mandatory local sponsorship pushes local companies to use local crews.

Trade agreements do not automatically remove these barriers, which must be negotiated separately in different chapters of the same agreement or in separate agreements, through clauses on data, investment, digital access, audiovisual, etc. Some of these restrictions can potentially be removed via multilateral negotiations at the WTO, but they have been proven to be among the most resistant to resolution due to the different perspectives of different trade blocs, as shown by the recent expiration of the e-commerce moratorium (World Economic Forum, 2026).

Also, the nature of services trade restrictions varies across sectors and countries, with developing economies tending to have more restrictive services trade practices compared to developed countries (United Nations Trade and Development, 2024), which impacts penetration into future growth markets.

The aim of this report is therefore to examine the extent of services trade restrictions facing UK creative exporters. The focus is on the creative industries priority markets, as identified in the Creative Industries Sector Plan (DBT and DCMS, 2025), which consist of the 'primary' UK creative industries export markets, which drive the highest volume of creative exports, and those markets identified for 'future growth'.[8] The future growth markets include Central Asia and the Association of Southeast Asian Nations (ASEAN), each comprising a number

8. The primary markets are Australia, China, the EU, the GCC, India, Japan and North America; the future growth markets are the Association of Southeast Asian Nations (ASEAN), Brazil, Central Asia, Nigeria and South Korea.

of individual countries; this is also the case for the large primary markets of North America, the EU and the GCC. As such, the report aims to highlight the depth and breadth of the restrictions that need to be overcome for UK creative exporters to access these markets and achieve their export growth potential.

Our investigation uses official export data for the overall creative industries and sub-sectors as defined by DCMS. As discussed in previous reports (Fazio et al., 2024; Maioli et al., 2021), we acknowledge the limitations in the ability of official statistics to capture creative trade, especially in terms of services exports by micro-firms and at a sub-sectoral level.[9] The core data on restrictions is based on the OECD **Services Trade Restrictiveness Index (STRI)** – see Box 3 for an overview of the nature of the STRI.[10]

Box 3. The STRI

The OECD STRI offers regularly updated data on regulations that affect trade in services. The data is comparable internationally and over time. It is provided for twenty-two sub-sectors within the broader services sector, five of which relate to the creative industries: architecture services, motion pictures, broadcasting, sound recording and computer services.

The STRI consists of two complementary components: (i) the Regulatory Database on services trade, which compiles information on applied services trade policies based on existing laws and regulations; and (ii) an index derived from the database that quantifies the degree to which the policies restrict trade.

The Regulatory Database identifies measures that may restrict services trade and the absence of regulations that could facilitate it (Borchert, Gootiiz and Mattoo, 2012, 2014). The database documents not only barriers to market access faced by foreign services providers, but also domestic regulatory requirements that hinder their establishment and operation. All measures are evaluated on a 'most-favoured nation' basis, meaning that the STRI does not account for bilateral or regional trade agreements or other forms of preferential treatment (OECD, 2026).

The STRI for each sub-sector is a composite index (taking a value between 0 and 1), based on five component values related to five policy areas:

- '**Restrictions on foreign entry**' (such as limitations on foreign equity, quotas on broadcasts and airtime, limitations on downloading/streaming, quotas on the number of firms allowed to practice);
- '**Restrictions on the movement of people**' (such as limitations on duration of stay for contractual services suppliers, labour market tests and quotas);
- '**Barriers to competition**' (such as restrictions on sales, exemption of publicly controlled firms from competition law, limitations on advertising);

9. As detailed in Maioli et al. (2021), the Office for National Statistics (ONS) International Trade in Services survey, which is the main basis for the capture of services trade, omits businesses with fewer than ten employees, which make up a large portion of the UK creative industries.

10. Details of the OECD STRI are available at: https://www.oecd.org/en/topics/sub-issues/services-trade-restrictiveness-index.html. The STRI data captures primarily OECD countries together with the original BRICS countries – Brazil, Russia, India, China, South Africa; six ASEAN countries – Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam; one Central Asia country – Kazakhstan; and, finally, Peru. Apart from the GCC countries, for which there is no data, the STRI data on the whole provides good coverage of the primary and future markets identified in the Creative Industries Sector Plan.

- ‘**Regulatory transparency**’ (such as transparency of licences (e.g. for broadcasting), procedures for registering companies and enforcement of IP rights); and
- ‘**Other discriminatory measures**’ (such as less favourable treatment of foreign suppliers regarding taxes and local sourcing requirements, other restrictions not captured by the other classifications).

For each policy area, the STRI has various measures designed for binary scoring (a value of 1 if restrictions are in place and a value of 0 if restrictions are absent) and non-binary measures broken down into multiple thresholds, while complementary measures are grouped and scored as 0 only if all measures in the bundle are not restrictive (Geloso Grosso et al., 2015). For example, for architecture services, imposing nationality or citizenship requirements to practice as a fully integrated architect while also imposing equity restrictions requiring that only locally licensed architects can own shares in architect firms automatically renders a score of 1 even if the licensing system in place does not impose limitations, as those two regulations are sufficient to effectively prohibit imports of architectural services. Within each policy area, the scores of all the measures are averaged and then weighted by experts according to policy area and sub-sector to give the component value for that sub-sector.

As noted in Box 3, the STRI is aggregated to a single measure for each of the five sub-sectors and an overall measure for each country. The sectoral breakdown for five creative services sectors covers computer services, sound recording, broadcasting, motion pictures and architecture services,[11] and excluding the latter category of architecture, these creative sectors encompass to a large extent what OECD (2025) classifies as the ‘digital network’ sector.[12]

As such, the analysis can also be supplemented with data from the OECD **Digital Services Trade Restrictiveness Index (DSTRI)** – Box 4 provides further detail on the nature of the DSTRI.[13] These sectors also overlap with the Creative Industries Sector Plan’s ‘frontier’ creative sub-sectors, which are identified as having particularly high growth potential.[14]

11. In the STRI database, architecture services is classified as ‘M71101 architectural services’, motion pictures is classified as ‘J591 motion picture, video and television programme activities’, broadcasting is classified as ‘J60 programming and broadcasting activities’, computer services is classified as ‘J62_63 computer programming, consultancy, and information’, and sound recording is classified as ‘J592 sound recording and music publishing activities’.
12. The OECD ‘digital network’ sector consists of ‘computer services’, ‘sound recording services’, ‘television and broadcasting services’, ‘motion picture services’ and ‘telecommunication services’.
13. DSTRI data is available via the OECD Data Explorer: Digital Services Trade Restrictiveness Index.
14. The frontier sub-sectors identified in the Creative Industries Sector Plan are: ‘film and TV’, ‘video games’, ‘music, performing and visual arts’ and ‘advertising and marketing’

As noted in Box 4, the DSTRI has five components: 'infrastructure and connectivity', 'electronic transactions', 'payment system', 'intellectual property rights' and 'other barriers affecting trade in digitally enabled services' (such as limitations on downloading or mandatory use of local software). Although the DSTRI does not focus explicitly on creative services, it captures the restrictions that are faced by the majority of services exporters (Ferencz, 2019) and which are, therefore, particularly relevant to creative exporters, whose trade is mainly through services exports (Fazio et al., 2024). The DSTRI is seen as complementing the STRI in that it captures cross-cutting restrictions that affect all types of services traded digitally, regardless of sector (Ferencz, 2019), whereas the STRI is sector-specific. However, both are based on the same underlying Regulatory Database on services trade, which compiles information on applied services trade policies based on existing laws and regulations, and the type of restrictions considered in their respective measures can overlap, such as trademark protection and downloading and streaming limitations.

Box 4. The DSTRI

- The OECD DSTRI offers regularly updated data, comparable across countries and over time, on non-sector-specific regulatory barriers that affect digitally delivered services. It provides policymakers with an evidence-based tool to pinpoint regulatory constraints and assess the impact of policy reforms, enabling policy design that fosters more diversified markets and more competitive digital trade. It consists of two components: (i) the Regulatory Database on digital services trade across five policy areas; and (ii) the index that quantifies the degree to which these policies restrict digital trade. As a stand-alone tool, it complements the STRI (OECD, 2026).
- The overall DSTRI value is the sum of its five component values, which relate to five policy areas:
  - 'Infrastructure and connectivity';
  - 'Electronic transactions';
  - 'Payment system';
  - 'Intellectual property rights'; and
  - 'Other barriers affecting trade in digitally enabled services'.
- Each policy area contains various measures designed for binary scoring; that is, a value of 1 if restrictions are in place or a value of 0 if restrictions are absent (Ferencz, 2019). For example, under the 'intellectual property rights' policy area, one of the measures is whether foreign firms are discriminated against on trademark protection, which is scored 1 for 'yes' and 0 for 'no'. Within each policy area, the scores of all the measures are averaged and then weighted to give the component value.

Examination of the extent of trade restrictions in creative services was pioneered by Nordås et al. (2014), who developed OECD STRI indices for motion pictures, television and broadcasting, and sound recording for 40 countries using regulations in force in 2013. They showed that the audiovisual sectors faced distinctive restrictions, such as foreign entry limitations, screen quotas and barriers to movement of people. Such trade restrictions captured by STRI indices have featured in previous reports in the State of the Nations research series on Internationalisation of the creative industries: Fazio et al. (2024) look at changes in the STRI data between 2018 and 2022, but for European Economic Area countries only; Maioli et al. (2025), in the context of a report looking specifically at migration, examine restrictions based only on the movement of people; and Simandjuntak et al. (2025) look at barriers from the perspective of exporter firms. This report provides a comprehensive analysis of services trade restrictions and their impact, including at the sub-sectoral level of the creative industries, with a focus also on the primary and future growth markets identified in the Creative Industries Sector Plan. It aims to understand the breadth and depth of the challenges faced by UK creative trade exporters and to provide insights on policy options to address these challenges.

2 Creative services trade restrictions

This section sets out the context for UK creative services exports over the decade from 2015 to 2025 by examining these export flows based on DCMS export data.[15] It also does this in relation to the priority markets set out in the Creative Industries Sector Plan.[16] It then moves on to discuss restrictiveness measured via the STRI and the DSTRI, again focusing particularly on the priority markets and the creative sub-sectors captured in the STRI database and the various types of restrictions that are disaggregated within this index.

2.1 Creative services exports and priority markets

As evidenced by previous State of the Nations reports (Fazio et al., 2024; Simandjuntak et al., 2025), UK creative services exports almost doubled from around £30bn in 2017 to close to £60bn in 2023 (which, at the time of writing, is the latest available data reporting period for DCMS Sectors Economic Estimates).[17] There is, however, a large amount of variation in the volume of services exports across the creative sub-sectors. Over the five-year period from 2019 to 2023, 'IT, software and computer services' accounted for 57% of all creative services exports, while 'design and designer fashion' and 'museums, galleries and libraries' made up less than 1% of creative services exports. Together with the IT sub-sector, the 'film, TV, radio and photography', 'advertising and marketing' and 'publishing' sub-sectors accounted for over 95% of creative services exports.

The destinations of these UK creative services exports are shown in Figure 1, which indicates that the primary markets identified by the Creative Industries Sector Plan were the main destinations for creative exports over the period 2019–2023, with over 90% of total UK creative services exports (for which there is a known destination).[18] This level of geographic concentration was also evident for the 'IT, software and computer services', 'film, TV, radio and photography', 'publishing' and 'music, performing and visual arts' sub-sectors, while for 'advertising', 'architecture' and 'design and designer activities', over 80% of services

15. The data is from the DCMS Sectors Economic Estimates (DCMS, 2025).

16. Country classifications are based on the Creative Industries Sector Plan (DBT and DCMS, 2025) and the National Statistics Country Classification (ONS, 2024).

17. Export of services statistics was collected through the ONS International Trade in Services survey and defined based on the industry of the business trading the service rather than the type of services exported (DCMS, 2025).

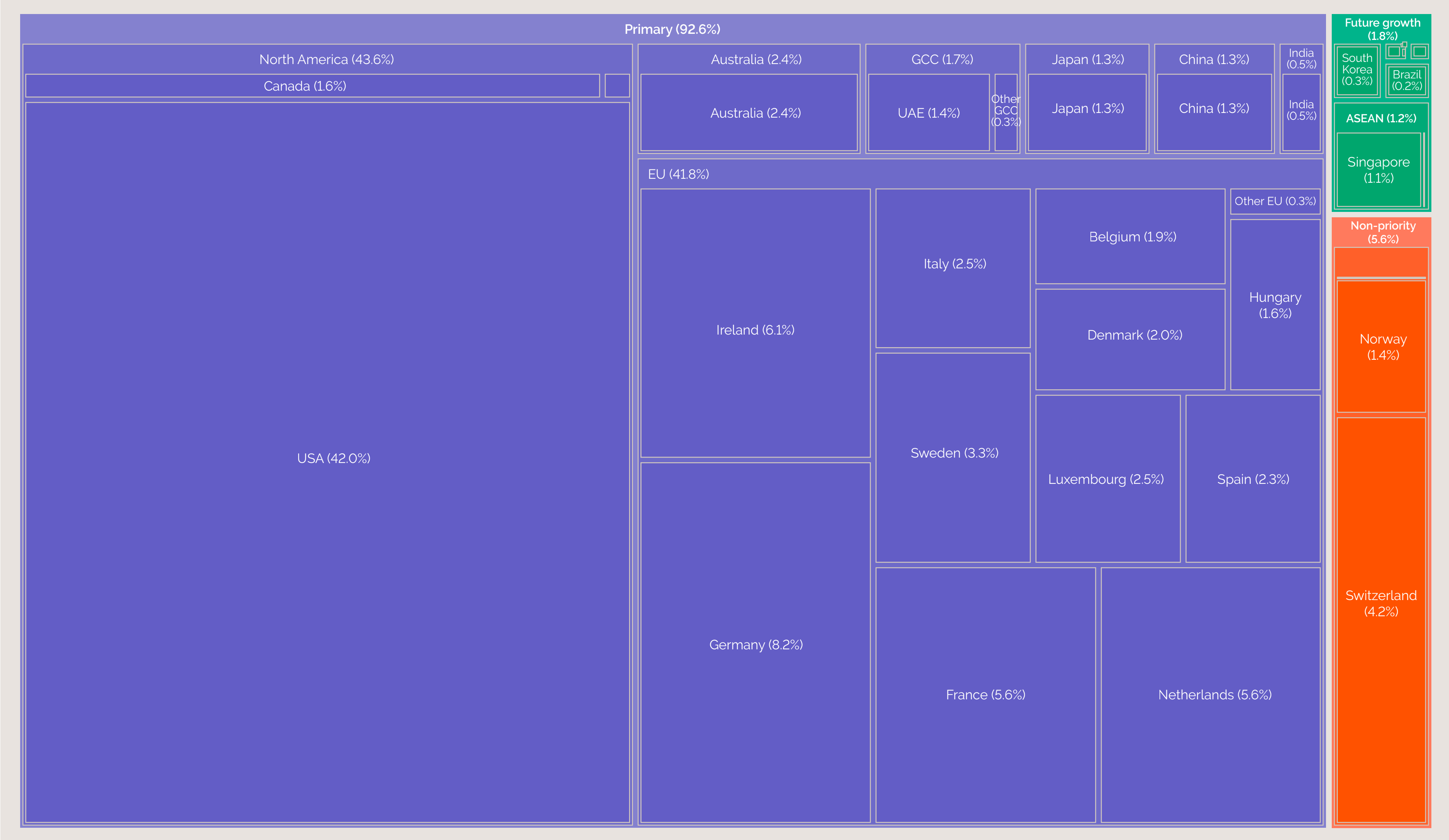
18. Since export values for some destinations were supressed to prevent disclosure of respondent information, Figures 1 and 2 were based on known export destinations (which accounted for 86% of total creative services exports).

exports was to primary markets (the 'museums, galleries and libraries' sub-sector had minimal services exports, and 'crafts' had a large amount of supressed values so cannot be shown in Figure 1). The Creative Industries Sector Plan also highlights future growth markets, which together with primary markets make up the list of priority markets for UK creative exporters. Figure 1 shows that future growth markets accounted for just under 2% of all creative services exports between 2019 and 2023.

Figure 2 shows that within primary markets, North America (in essence, the USA) and the EU were the main export destinations, accounting for around 80% of creative services exports in each sub-sector, with the exception of 'architecture', where the share was 30%. Figure 2 also shows that the USA was the main destination for the 'IT, software and computer services', 'publishing' and 'music, performing and visual arts' sub-sectors, even when compared to the EU countries taken together. The EU was, however, the largest trade area for UK creative services exports for 'film, TV, radio and photography', 'advertising and marketing' and 'design and designer fashion'. Within the EU, Germany was the main destination for all sub-sectors apart from 'advertising and marketing' and 'architecture', for which Ireland was the main EU destination. France and the Netherlands were also among the leading destinations for services exports across several creative sub-sectors.

Outside of the USA and the EU, Australia was a notable destination across the sub-sectors, with, on average, between 2% and 3% of exports in each sub-sector. Also China had a high share in 'publishing' (6%), and the GCC countries were prominent in 'film, TV, radio and photography' (3%) and 'design and designer fashion' (7%). In the case of 'architecture', it was GCC countries that accounted for the highest share of creative services exports (33%), mainly to Saudi Arabia (24%), and China was the largest country destination outside of the GCC (21%). Future growth markets accounted for, on average, 2% of all creative services exports, but with slightly larger shares for Singapore (1.0%), South Korea (0.3%) and Brazil (0.2%).

Figure 1. Market destination of UK creative services exports (2019–2023 average, £ million) – 2019–2023 average value (100%): £40.01bn



Source: Authors' calculation based on the DCMS Sectors Economic Estimates (DCMS, 2025)
Notes: Values included are for known destinations only (supressed values are excluded) and constitute an average of 86% of the UK's total creative services exports for the period. 'Crafts' is not included due to entirely suppressed values in this sub-sector. Countries with less than 0.9% share are aggregated into a single box within each market. Values are provided in Table A1 in the online supplementary material.

Figure 2. Market destinations of UK creative services exports by sub-sectors (2019-2023 average value, £ million)

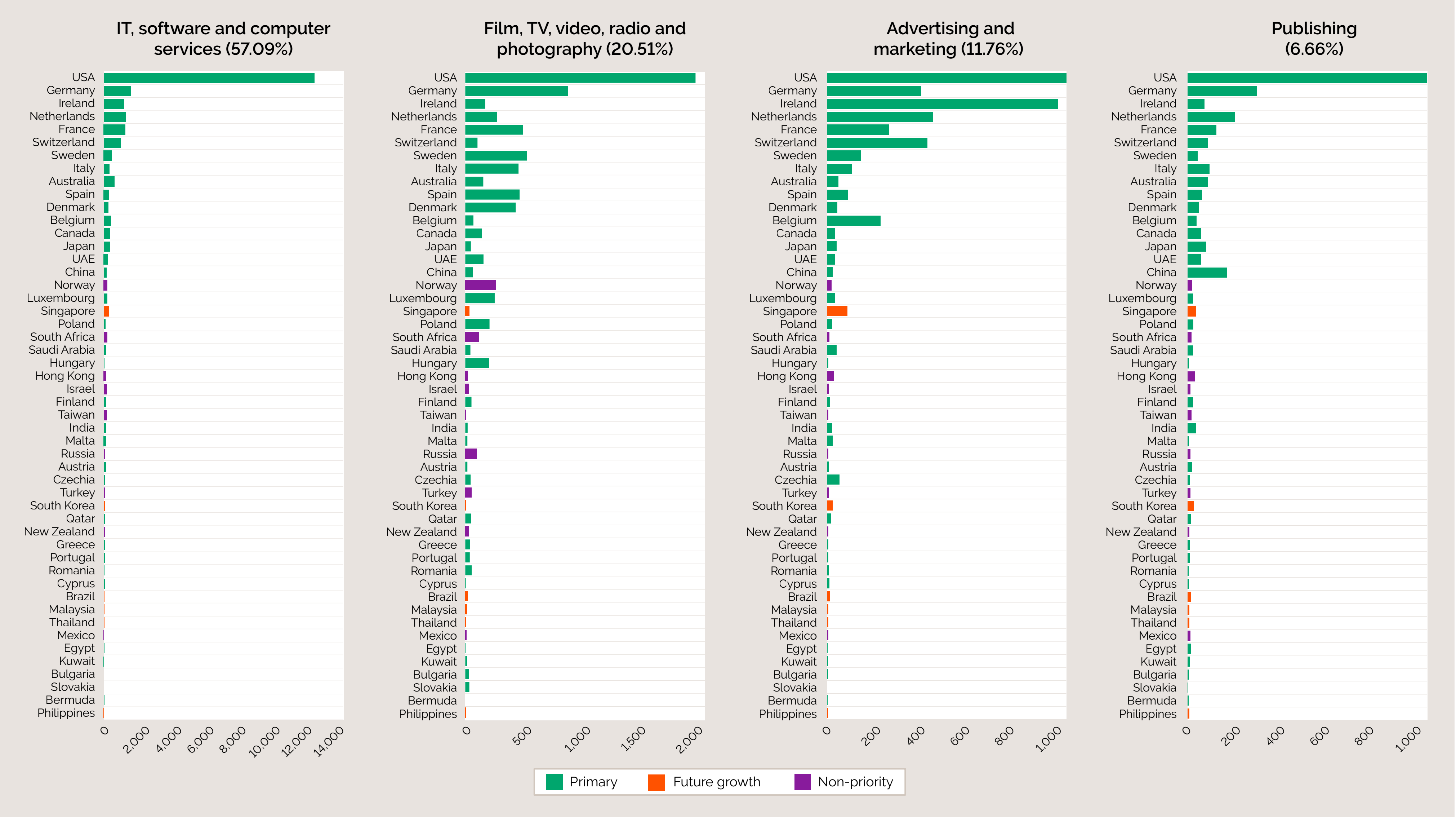
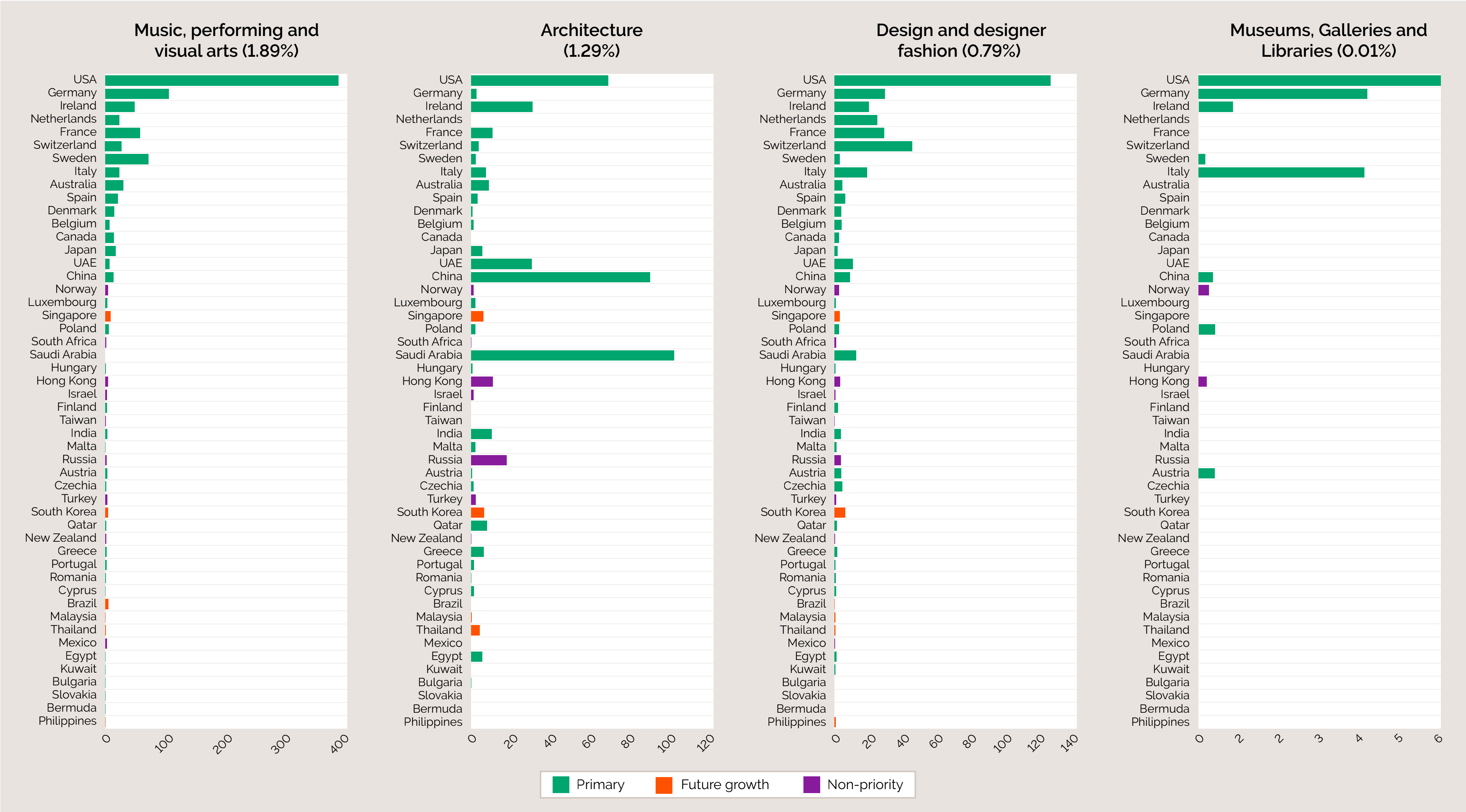


Figure 2. Market destinations of UK creative services exports by sub-sectors (2019-2023 average value, £ million) (continued)



Source: Authors' calculation based on DCMS Sector Economic Estimates (DCMS, 2025).

Note: Graph is not available for 'Crafts' due to entirely suppressed values. Values included are for top 50 known destinations only (excluding supressed values). Graphs of sub-sectoral exports are in order of their share of 2019-2023 average value of creative services exports (£40.01 billion): 'IT, software and computer services' (£26,335.3 million), 'Film, TV, video, radio and photography' (£9,463.0 million), 'Advertising and marketing' (£5,423.3 million), 'Publishing' (£3,071.5 million), 'Music, performing and visual arts' (£871.1 million), 'Architecture' (£596.8 million), 'Design and designer fashion' (£364.6 million), 'Museums, Galleries and Libraries' (£3.7 million). Country destinations are ordered on horizontal axes according to average annual contribution to UK's total creative services exports 2019-2023. Values are provided in Table A2 of the supplementary material.

2.2 Services trade restrictions and creative markets

The pattern of UK creative services exports, as evidenced in Section 2.1, is dependent on a number of factors, not least the restrictions that are frequently faced by exporters in the global trading environment, which are the focus of this report. Services trade modes and restrictions take complex forms, as described in Box 2, and they are, therefore, difficult to measure. Given the importance of these restrictions, extensive efforts have been made by international organisations to quantify their impacts. The most notable is the OECD's quantitative measure in the form of the STRI (see Box 3 for further details). Starting from qualitative information on services trade restrictions, the index gives an overall score for the level of restrictiveness of a country, ranging between 0 (completely open) to 1 (completely closed). This provides an indication of the overall level of restrictions faced by foreign exporters to a country.

The STRI provides comparable data, enabling analysis of restrictiveness for services exports across countries, including in terms of international trade and foreign investment performance. However, STRI values vary widely across countries, although in more recent periods there has been evidence of greater liberalisation in low- and middle-income countries (Echandi, Fernandes and Rivas, 2026). Variation also occurs across sectors, with professional and transportation services tending to have more restrictive policies compared to distribution and sound recording sectors (Kuusela, 2016). In general, the OECD finds that that services trade barriers remain high overall and asymmetric across countries and regions (OECD, 2024). Higher levels of restrictive trade regulations for services have been found to disproportionately discourage small- and medium-sized enterprises (Rouzet, Benz and Spinelli, 2017), which may have a larger impact on creative industries firms given the greater proportion of smaller-sized firms in this sector (Newson, 2025). For creative firms, Di Novo, Fazio and Maioli (2021) find that bureaucracy and red tape are frequently perceived by exporters to be barriers impacting their firms, and this is especially notable for those firms that have over half their turnover from exports (Simandjuntak et al., 2025).

The STRI provides an important quantitative guide to services trade restrictions, but it comes with the limitation that it is not calculated for all countries to which the UK exports its creative services. The priority countries captured by the STRI, and those not included in the database, are listed in Box 5, which makes the distinction between primary and future growth markets (the non-priority markets included in the STRI are also listed). However, as shown in Table 1, countries included in the STRI data account for the vast majority (consistently above 90%) of all UK creative services exports (where the destination is known), so these make up a comprehensive subset of countries for examining UK creative services exports and the associated trade restrictions.[19]

19. In the case of priority markets, 95% of UK creative services exports in the primary markets are accounted for by the set of countries in the STRI database, so there is a near complete set of UK creative services exports in these markets (see Table B1 in the online supplementary material).

Box 5. Markets in the STRI database

Primary markets included in the STRI database				
Austria	Belgium	Czechia	Denmark	Estonia
Finland	France	Germany	Greece	Hungary
Ireland	Italy	Latvia	Lithuania	Luxembourg
Netherlands	Poland	Portugal	Slovakia	Slovenia
Spain	Sweden	Canada	USA	India
China	Australia	Japan		

Primary markets not included in the STRI database				
Bulgaria	Croatia	Cyprus	Malta	Romania
Bahrain	Kuwait	Oman	Qatar	Saudi Arabia
UAE				

Future growth markets included in the STRI database				
Brazil	Indonesia	Kazakhstan	Malaysia	Philippines
Singapore	South Korea	Thailand	Vietnam	

Future growth markets not included in the STRI database				
Brunei	Cambodia	Lao	Myanmar	Timor-Leste
Kyrgyzstan	Tajikistan	Turkmenistan	Uzbekistan	Nigeria

Non-priority markets included in the STRI database				
Iceland	Norway	Switzerland	Turkey	Russia
Israel	Chile	Colombia	Costa Rica	Mexico
Peru	New Zealand	South Africa		

Notes: Priority markets are split into primary and future growth markets. Country classifications are based on the UK Creative Industries Sector Plan (DBT and DCMS, 2025) and the National Statistics Country Classification (ONS, 2024). In addition to the subset of primary and future growth markets, the STRI covers thirteen non-priority markets.

Table 1. Share of UK creative services exports by STRI countries

Year	UK creative services exports where destination is known (£ million)	Share of UK creative services exports to countries in the STRI database (%)
2015	20,094	93.1
2016	25,339	92.5
2017	30,646	93.4
2018	33,148	93.4
2019	35,587	92.9
2020	39,551	94.1
2021	40,888	94.4
2022	48,752	95.3
2023	56,972	94.8

Source: Authors' calculation based on the DCMS Sectors Economic Estimates (DCMS, 2025)

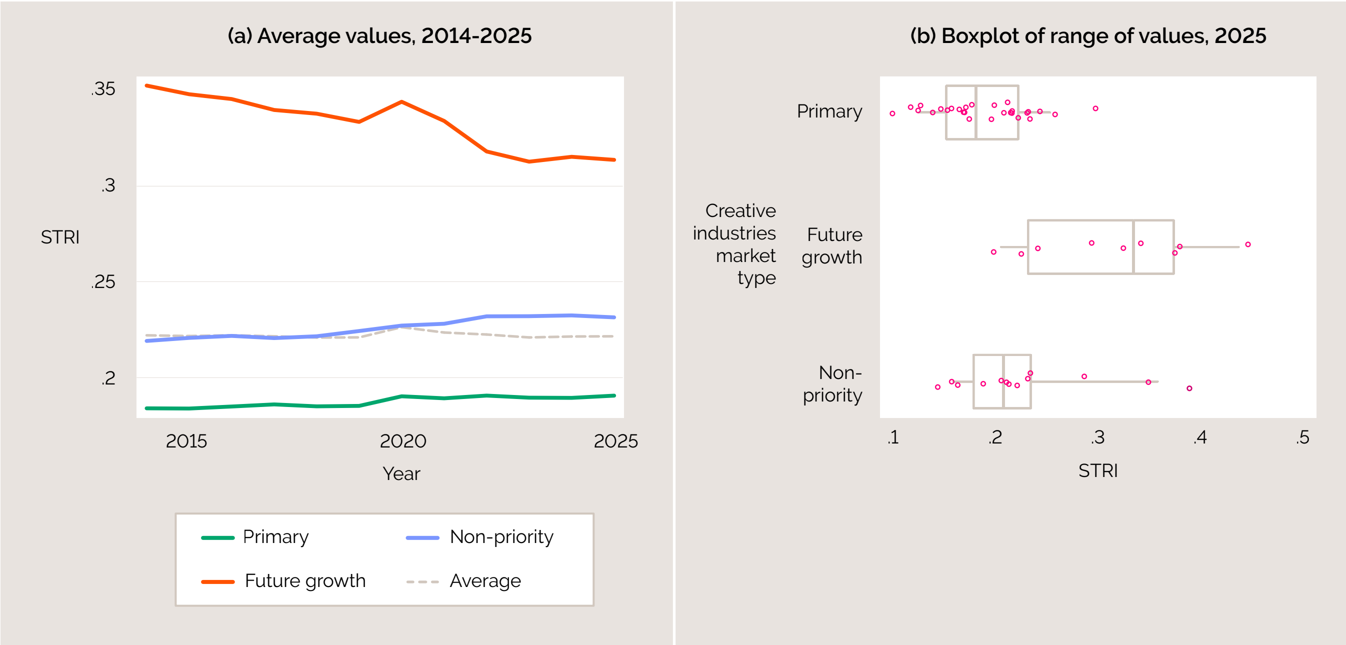
Notes: Values included are for known destinations only (supressed values are excluded). See Box 5 for countries included in the STRI database and their market status.

2.2.1 Characteristics of the STRI

The average STRI for all services – that is, creative and non-creative services – across all included countries over the period from 2015 to 2025 is shown in Figure 3(a). This is also broken down for primary, future growth and non-priority markets. The future growth markets had notably higher levels of services trade restrictions compared to both primary markets (around double) and non-priority markets (around one and a half times greater). The STRI values for future growth markets, however, decreased over time, moving towards a value of 0.3, in contrast to the relatively static nature of overall STRI over the period, which stayed at around 0.22 to 0.23. For each of the market types, there was an increase in STRI in 2020, coinciding with the Covid-19 period, although in most cases this higher level of restrictions was temporary in nature (OECD, 2021), as can be seen by the reduction in averages post 2020.

Figure 3(b) illustrates the range of STRI values within each of the different markets for the latest year of data (2025) in the form of a boxplot. Each boxplot contains a box that captures the middle 50% of STRI values for each market, and the whiskers that extend from the boxes capture the upper and lower end of the distributions of STRI values. Figure 3(b) highlights that although the future growth markets had higher average STRI values in the period, the range of STRI values across the countries in this group was greater compared to the other markets (as shown by the width of the boxplots). Indeed, some countries in the future growth markets category, such as Singapore, had STRI values similar to the average in primary and non-priority markets. For the primary markets, the whisker to the right of the box, which captures those countries with the highest STRI values in this category, extends into the box for future growth markets. The highest STRI value in the primary market is 0.3 (India), which is similar to the average value for future growth markets, again indicating the degree of variation.

Figure 3. STRI for total services



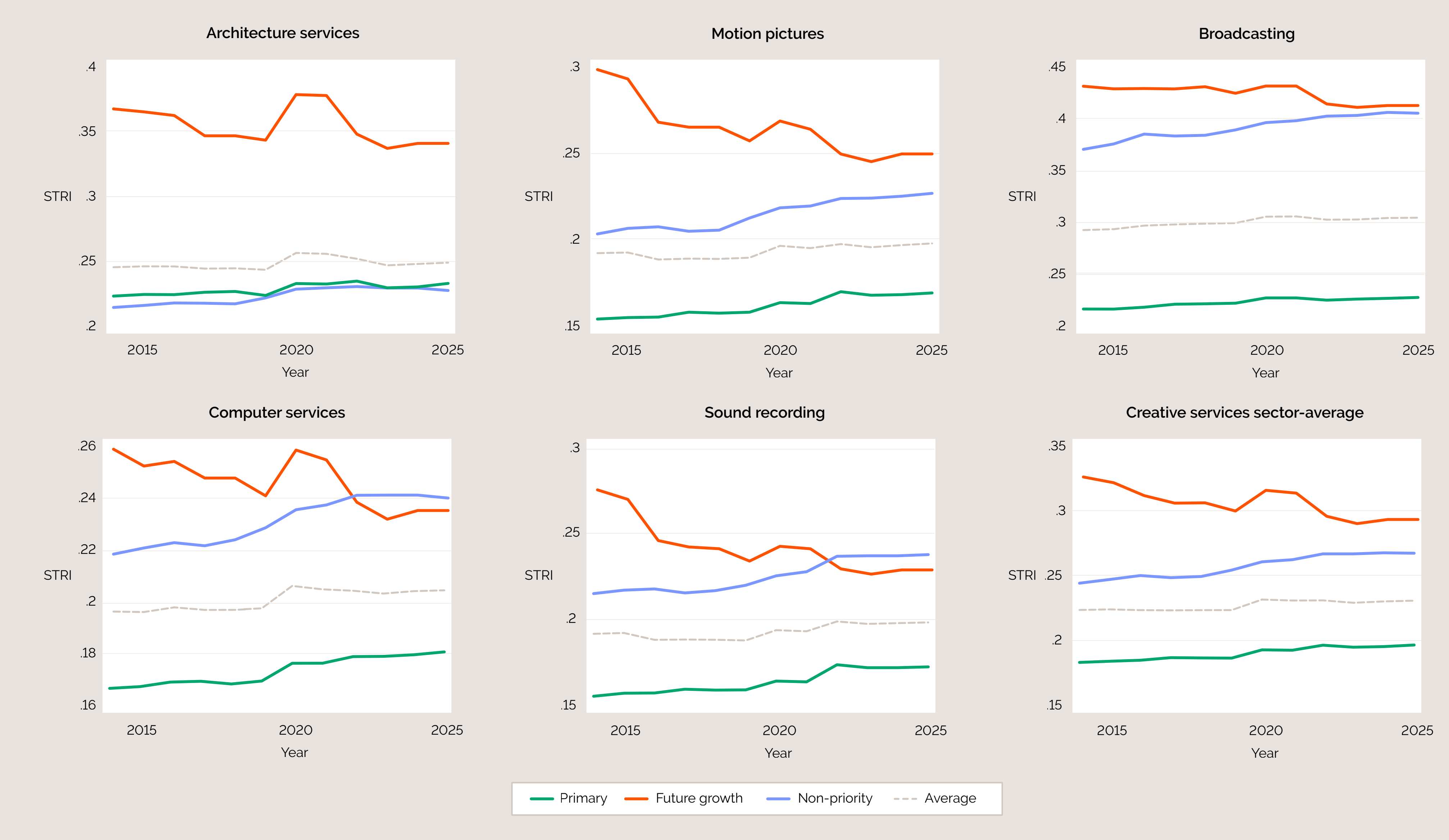
Source: Authors' calculation of STRI values based on 'total services (including construction)' in the OECD STRI by services sector

Notes: Countries are grouped according to UK creative industries market status (see Box 5 for primary, future growth and non-priority markets included in the STRI). Average values in (a) are shown by market status. The range of values in each of the boxes in (b) covers the 1st to the 3rd quartiles (known as the interquartile range), and the line inside each box shows the median STRI value. The lines extending from each box (the 'whiskers' of the boxplot) contain the largest and smallest values (above the 90th percentile and below the 10th percentile, respectively). Observations outside of the whiskers are classified as outliers. Values are provided in Table A3 and Table A4 in the online supplementary material.

The STRI values shown in Figure 3 relate to restrictions faced by all creative sub-sectors, but the STRI can also be decomposed by individual sub-sectors, and Figure 4 provides the STRI values for the creative industries services sub-sectors as defined in the STRI database: architecture services, motion pictures, broadcasting, computer services and sound recording. Similar to Figure 3(a), the STRI for future growth markets in Figure 4 decreased over time across the different creative sub-sectors. The sub-sectors with the highest level of restrictiveness for future growth markets were broadcasting (above 0.4), architecture services (around 0.35) and motion pictures (0.3 in 2015, but falling to 0.25 in 2025). For both sound recording and computer services, the STRI fell to below 0.25 for future growth markets in 2025.

In the case of primary markets, the STRI increased slowly across the creative sub-sectors. The highest levels across the period were for broadcasting and architecture services, with STRI levels just under 0.25, while for motion pictures, computer services and sound recording, the STRI values moved upwards from around 0.15 but stayed under 0.2 during the 2015–2025 period. In the case of the latter three sub-sectors, the gap between STRI values for the primary and future growth markets narrowed notably over the period. The slight rise in STRI across the creative sub-sectors over the period indicates that creative exporters are experiencing greater levels of services trade restrictions.

Figure 4. STRI component values by creative sub-sector, 2015–2025



Source: Authors' calculation of STRI values by creative services sectors, based on the OECD STRI by services sector
Notes: Countries are grouped according to UK creative industries market status (see Box 5 for primary, future growth and non-priority markets in the STRI). Average STRI values were calculated for each market status. Values are provided in Table A5 in the online supplementary material.

In addition to the values by sub-sector, the STRI can be broken down according to five different types of services trade restrictions: 'restrictions on foreign entry', 'restrictions to movement of people', 'barriers to competition', 'regulatory transparency' and 'other discriminatory measures' (see Box 3 for further details on these classifications). These are measured for each of the sub-sectors but not across sub-sectors. Figure 5 presents these STRI values, again for each of the market types over the 2015–2025 period, where values for each of the restriction components are calculated as the average across the five sub-sectors related to creative industries.

Future growth markets did not necessarily have the highest STRI values in each component and were generally below primary growth markets for the 'regulatory transparency' and 'barriers to competition' components. Those two components generally had the lowest STRI values, with averages across all markets of under 0.04 and under 0.013, respectively, in 2025. In the case of 'restrictions on foreign entry', 'restrictions to movement of people' and 'other discriminatory measures', the STRI values were larger for the future growth markets, with foreign entry restrictions having the highest average STRI value across all markets. However, there was some decline in STRI in the future growth markets over time for all components apart from 'other discriminatory measures'.

For the primary growth market, 'restrictions on foreign entry' and 'restrictions to movement of people' had the largest STRI values, and in the case of the latter, values were not too dissimilar to the those for future growth markets. In the 'other discriminatory measures' component, there was a notable upward trend in STRI over the time period for the primary growth market and for the overall average. Overall, Figure 5 shows that examining STRI by type of restriction and type of market is important to highlight the extent to which STRI values vary.

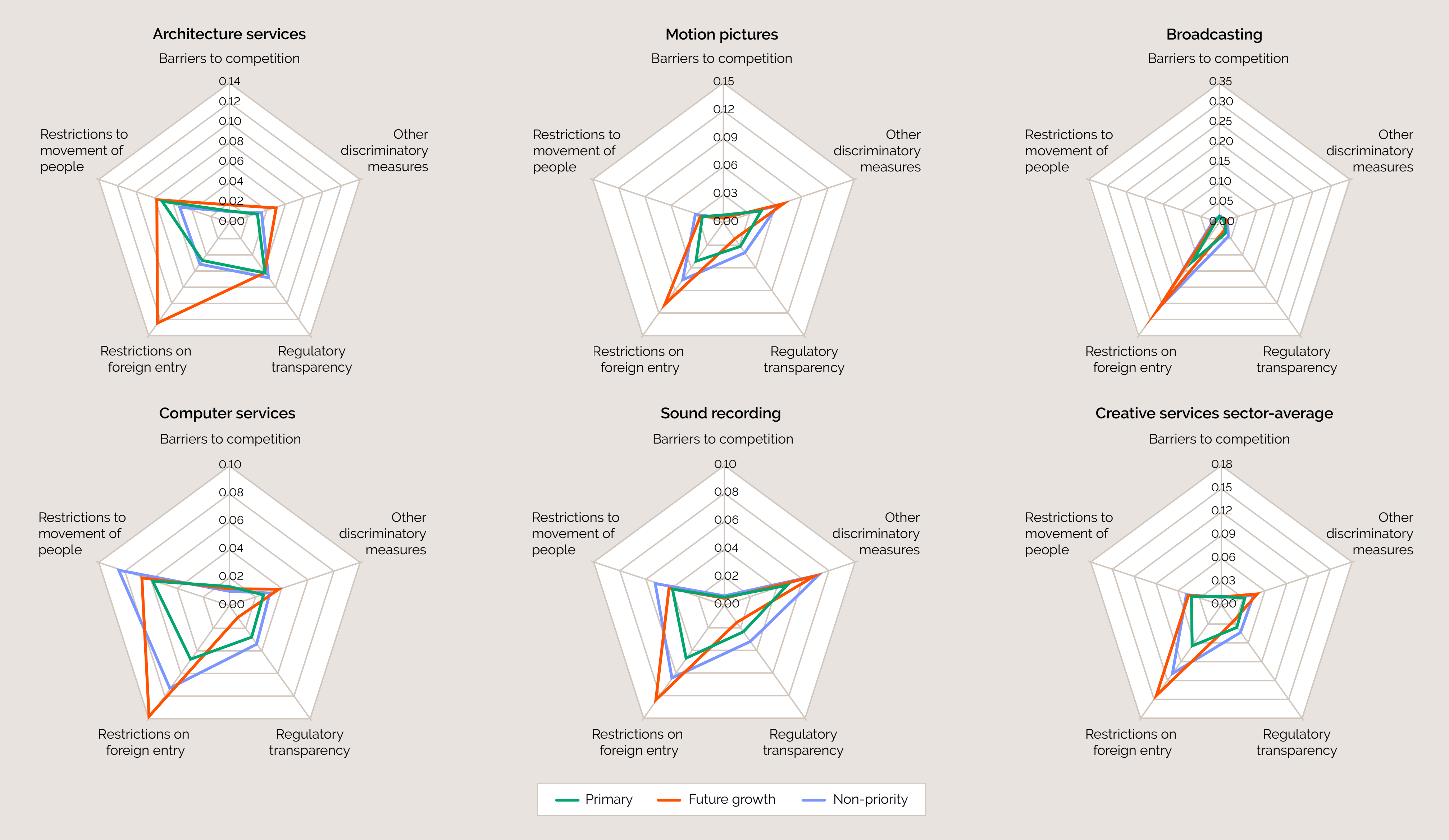
Figure 5. STRI by type of restriction and type of market, 2015–2025

Source: Authors' calculation of STRI policy component values based on the OECD STRI by services sector

Notes: Countries are grouped according to UK creative industries market status (see Box 5 for primary, future growth and non-priority markets in the STRI). Annual STRI values were averaged across architecture services, motion pictures, broadcasting, computer services and sound recording for each market status. The 2020–2021 jump in 'regulatory transparency' for future growth markets was driven by a large increase in restrictiveness for architectural services in Kazakhstan, Singapore, South Korea and Vietnam. Values are provided in Table A6 in the online supplementary material.

Figure 6 further breaks down the different STRI restriction components for each of the creative sub-sectors, showing values for the different types of market in 2025. This shows the extent to which, for each of the sub-sectors, 'restrictions on foreign entry' was the component with the highest STRI values for future growth markets. This form of restriction was also dominant in the motion pictures and broadcasting sub-sectors for primary markets. Comparing the future growth and primary markets across the sub-sectors, it is notable that 'restrictions on foreign entry' particularly featured in the future growth markets relative to all other market types in the architecture services sub-sector. Also of note is that the 'restrictions to movement of people' component had a relatively high STRI for the computer services and architecture services sub-sectors for both primary and future growth markets, as did 'other discriminatory measures' for the sound recording sub-sector. Overall, analysis of STRI values by sub-sector, type of restriction and type of market is essential to uncover specific areas where attention should be focused to reduce services trade restrictions.

Figure 6. STRI component values by creative sub-sectors, type of restriction and market, 2025



Source: Authors' calculation of STRI policy component values by creative services sectors and type of restriction, based on the OECD STRI by services sector

Notes: Countries are grouped according to UK creative industries market status (see Box 5 for primary, future growth and non-priority markets). Values are provided in Table A7 in the online supplementary material.

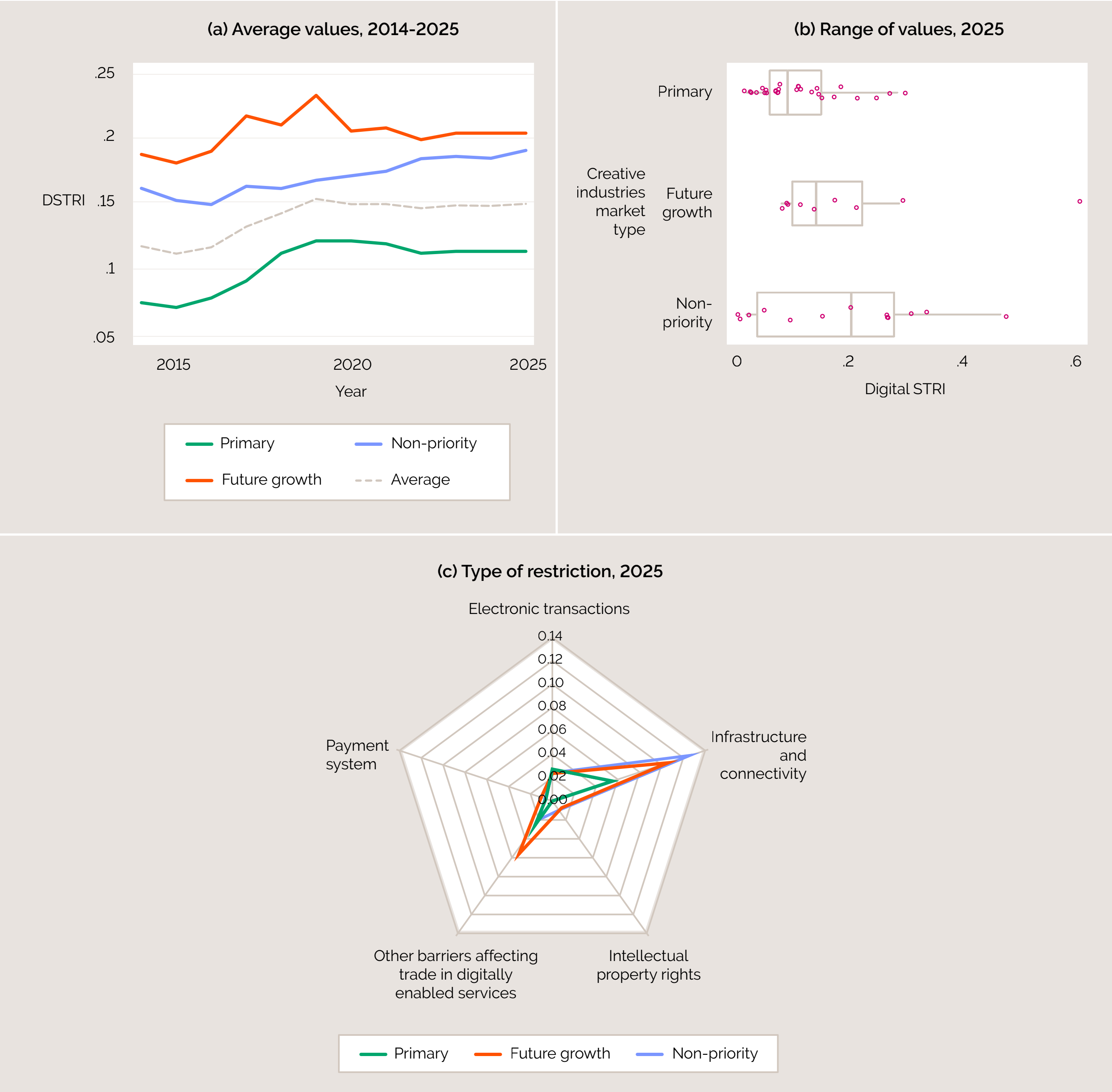
2.2.2 Digital services trade restrictions

In addition to the STRI, the OECD produces the DSTRI, an index of regulatory barriers that affect digitally delivered services (see Box 5 for further information on the construction of the DSTRI). Unlike the STRI, the DSTRI does not allow for sub-sectoral breakdown, but it can be used to reveal the restrictions that are most likely faced by creative services exporters who undertake digital trade.

Figure 7(a) shows the change in average DSTRI values by market type over the 2015–2025 period. As was the case with the STRI in Figure 3(a), primary markets had lower values than future growth markets and non-priority markets. There was, however, an increase in average DSTRI for primary markets over the period, notably between 2015 and 2020. After this, the level remained relatively stable at under 0.15, a little lower than the average STRI value for the primary markets. This levelling off of DSTRI values coincides with the start of the Covid-19 period, which may have led to a relaxing of barriers to digital trade as a response to the pandemic (OECD, 2021). For future growth markets, the average DSTRI values were lower than the average STRI values (DSTRI values fluctuated around 0.2, while STRI values were between 0.3 and 0.35).

The spread of these values in each market type is explored in Figure 7(b), with a boxplot showing a large spread in values for non-priority markets (especially when compared to the range of STRI values in Figure 3b). There was also a large spread of DSTRI values for primary markets, as indicated by the length of the whiskers of the boxplot. The largest DSTRI values for the primary and future growth markets were similar, although, on average, primary markets had lower DSTRI values than future growth markets. This indicates that there was still a large degree of variation in DSTRI values within these markets. Figure 7(c) provides a breakdown by the five different components of DSTRI and the type of market. It is clear that the ‘infrastructure and connectivity’ and ‘other barriers affecting trade in digitally enabled services’ components were most significant in future growth markets, and this was also the case, albeit to a lesser degree, for primary markets.

Figure 7. DSTRI values



Source: Authors' calculations for the sample of countries in the STRI database (except the UK) based on the OECD DSTRI

Notes: Countries are grouped according to UK creative industries market status (see Box 5 for primary, future growth and non-priority markets). The range of values in each of the boxes in (b) covers the 10th to 90th percentiles, and the line inside each box shows the median DSTRI value. Values are provided in tables A8–A10 in the online supplementary material.

Table 2 shows overall STRI and DSTRI values across all sub-sectors (i.e. creative and non-creative) for UK creative services exports destinations, ranked by export amounts, covering the period from 2019 to 2023. For comparison, the UK had an overall STRI of 0.145 and a DSTRI of 0.021. Table 2 shows that the countries with the highest levels of UK creative services exports had relatively low STRI values, while the countries towards the lower end of the ranked destinations tended to have larger STRI values; however, the countries with the lowest UK creative services exports had low STRI values. The pattern for the DSTRI measure was also not clear-cut, with some countries with high DSTRI values appearing towards the upper end of the ranked creative services exports destinations and some with lower values appearing towards the lower end. Overall, countries with low STRI and DSTRI (and, therefore, relatively open) were not necessarily associated with high levels of creative services exports, and vice versa. This suggests not only that there may be possibilities to boost creative services exports to countries where restrictions are low, but also that levels of restrictions are not the only factor that determines the extent of creative services exports. While Table 2 shows the general relationship for overall UK creative services exports and trade restrictions, it fails to capture the extent to which these restrictions impact UK creative services exports. This is investigated further in the next section in terms of both the magnitude and the significance of the impacts.

Table 2. STRI and DSTRI by UK creative services exports destinations, 2019–2023

UK trade partner	Overall STRI (average)	Overall DSTRI (average)	Creative services exports value (average, £ million)	Exports rank
USA	0.168	0.061	16,792.5	1
Germany	0.149	0.091	3,281.0	2
Ireland	0.146	0.083	2,460.2	3
France	0.207	0.105	2,240.4	4
Netherlands	0.128	0.064	2,233.5	5
Switzerland	0.203	0.021	1,666.4	6
Sweden	0.180	0.144	1,312.1	7
Italy	0.228	0.064	1,003.8	8
Luxembourg	0.169	0.043	989.8	9
Australia	0.198	0.021	942.0	10
Spain	0.140	0.181	922.2	11
Denmark	0.162	0.293	789.8	12
Belgium	0.201	0.083	746.7	13
Hungary	0.235	0.104	639.1	14
Canada	0.218	0.040	622.4	15
Norway	0.231	0.021	556.4	16
Japan	0.129	0.042	533.8	17
China	0.303	0.302	518.8	18
Singapore	0.209	0.165	457.8	19
Poland	0.217	0.242	364.0	20
South Africa	0.180	0.302	340.6	21
Israel	0.228	0.140	219.3	22
Finland	0.198	0.062	209.9	23
India	0.301	0.283	201.2	24
Russia	0.349	0.372	182.1	25
Austria	0.206	0.162	175.6	26
Czechia	0.142	0.123	159.4	27
Turkey	0.286	0.304	150.9	28
Slovakia	0.163	0.062	132.9	29
South Korea	0.258	0.099	131.5	30
New Zealand	0.185	0.101	114.6	31
Greece	0.232	0.123	107.9	32
Portugal	0.173	0.105	104.5	33
Thailand	0.390	0.149	86.1	34
Brazil	0.234	0.159	81.2	35
Malaysia	0.302	0.087	60.3	36
Mexico	0.236	0.040	57.3	37
Philippines	0.445	0.109	44.7	38
Indonesia	0.407	0.266	32.7	39
Chile	0.139	0.262	32.5	40
Slovenia	0.223	0.141	27.1	41
Iceland	0.356	0.206	24.8	42
Vietnam	0.356	0.229	23.0	43
Estonia	0.172	0.043	22.3	44
Lithuania	0.153	0.064	20.9	45
Kazakhstan	0.348	0.615	18.3	46
Latvia	0.124	0.183	13.4	47
Peru	0.203	0.223	10.2	48
Colombia	0.194	0.259	10.0	49
Costa Rica	0.172	0.042	4.5	50

1st quartile, least restrictive | 2nd | 3rd | 4th, most restrictive

Source: Authors' calculations based on the OECD STRI by services sector, the OECD DSTRI and the DCMS Sectors Economic Estimates (DCMS, 2025)

Notes: Values are for known destinations only (supressed values are excluded). Overall STRI represents the STRI for total services. The 2019–2023 average values for the UK are: overall STRI, 0.145; and DSTRI, 0.021.

3 How important are services trade restrictions? Empirical evidence from gravity model estimates

The aim of this section is to analyse the extent to which trade restrictions are related to UK creative services exports in terms of the magnitude and significance of restrictions. It does this while accounting for other factors that impact on UK creative services trade, using a gravity model of trade (see Box 6 for an explanation of the model). Gravity models are considered the workhorse of international economics when it comes to modelling bilateral trade flows (Head and Mayer, 2014).[20] The model has as the dependent variable the level of creative services that the UK exports to each country over the period from 2015 to 2023. The model includes a range of explanatory variables to help explain any potential relationships in the export flows, but with emphasis on the services trade restrictions captured by the STRI and the DSTRI measures discussed in Section 2.

Box 6. The gravity model

The gravity model of trade between countries takes inspiration from Newton's law of gravity in physics, where the gravitational force that attracts objects together depends on the size of objects and the distance between objects; that is, objects that are larger in size and objects that are closer in distance have stronger gravitational attraction. In the context of international trade, the gravity model predicts that countries that are larger in economic size and that are closer in physical distance have higher levels of trade. Distance between markets can be extended to incorporate the 'cultural' distance between countries, which may be to do with language or the historical relationships between countries. Other economic features – notably, restrictions on trade – may also impact on trade flows, and by including these in the gravity model, we can estimate which of these factors have a significant impact.

20. Studies that have used gravity models to examine services trade, although not for the creative industries per se, include Benz and Jaax (2020), Fraser (2021) and Nordås and Rouzet (2017).

3.1 Gravity and creative services trade

Before analysing the extent to which specific services trade restrictions impact on UK creative services exports, a more general analysis is undertaken to examine a broader set of factors that can impact on these exports. The factors are drawn from the gravity trade model literature (see Yotov, 2022, for an overview of the literature) and capture the size of the destination country through its gross domestic product *(GDP)*, the geographical distance from the UK *(DISTANCE)* and a number of variables that capture the historical and cultural similarities with the UK – having the same official language *(LANGUAGE)*, having official colonial links with the UK to reflect common institutional history *(COLONIAL)* and sharing an official common religion *(RELIGION)*. Also included is whether the country is in the list of UK priority markets, broken down into primary markets *(PRIMARY)* and future growth markets *(FUTURE)*.[21]

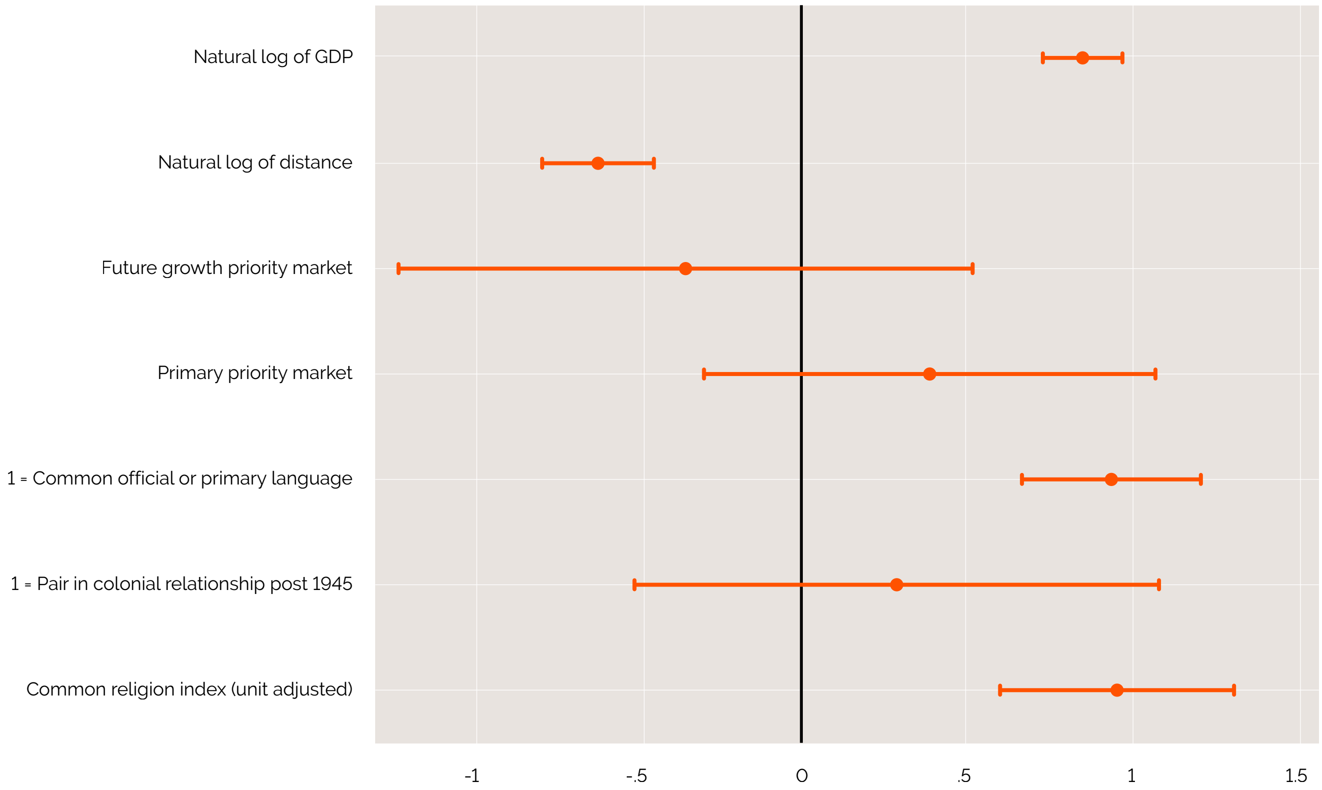
For the initial model, as this does not incorporate the services trade restriction indicator STRI, the estimation can include all UK export destinations (not just those that are included in the STRI database). The results are provided in Figure 8, which shows a plot of the coefficients.[22] Values that do not cross the 0 vertical line indicate that they are statistically significant; that is, they are deemed to have an impact on creative services exports. Values to the right of the vertical line indicate a positive effect, and those to the left of the line indicate a negative effect.

Figure 8 shows that, on average, those countries with larger levels of GDP have higher levels of creative services exports and that those countries that are further away in geographical distance have lower levels of creative services exports. This suggests that geography still matters even in the case of services trade.

Of the set of variables capturing historical and cultural similarities, the language and religion coefficients are significant and indicate positive relationships with UK creative services exports. The coefficient for the UK's primary markets is positive, whereas for the future growth markets, it is negative, although both of these are insignificant. Therefore, size, distance and historical and cultural relationships are the main factors that have significant relationships with UK creative services exports over the 2015–2023 period.[23]

21. The formal model to be estimated is: $EXP_{it} = \alpha + \beta lnGDP_{it} + \gamma lnDISTANCE_i + \phi_1 LANGUAGE_i + \phi_2 COLONIAL_i + \phi_3 RELIGION_i + \delta_1 PRIMARY_i + \delta_2 FUTURE_i + \lambda_t + u_{it}$, where λ_t are time fixed effects and u_{it} is the error term for each destination market ***i*** and time period ***t***. *GDP* is measured in million dollars (current prices). *DISTANCE* is measured as the simple distance between the most populated cities in the UK and those in the destination country (kilometres). *LANGUAGE* is a dummy variable taking a value of 1 if the destination country adopts the English language as the official language (as in the UK) and 0 otherwise. *COLONIAL* is a dummy variable taking a value of 1 if the destination country experienced British colonialisation any time after 1945 and 0 otherwise. *RELIGION* is the religion proximity index, which takes values between 0 and 1, increasing when the UK and the destination country share a common combination of religions practised by a large share of the population; this is calculated using the product sum of the shares of Catholics, Protestants and Muslims in the UK and the destination country (Disdier and Mayer, 2007). *PRIMARY* is a dummy variable taking a value of 1 for countries in the Creative Industries Sector Plan primary markets and 0 otherwise. *FUTURE* is a dummy variable taking a value of 1 for countries in the Creative Industries Sector Plan future growth markets and 0 otherwise. Data for creative services exports was obtained from the DCMS Sectors Economic Estimates (DCMS, 2025). Data for common official language, colonial relationship and common religion (as of 2021) was obtained from Conte, Cotterlaz and Mayer (2022) and downloaded from the CEPII gravity database (https://www.cepii.fr/CEPII/en/bdd_modele/bdd_modele_item.asp?id=8), also used in Cevik, Fazio and Maioli, (2025). Country-year level GDP is downloaded from United Nations Statistics Division (2026) and from UNdata (GDP by Type of Expenditure at current prices – US dollars). The models were estimated using a Poisson pseudo-maximum likelihood regression with high dimensional fixed effects though the Stata *ppmlhdfe* command (Correia et al., 2026). The Poisson pseudo-maximum likelihood estimation is the standard technique for gravity models in that it handles the presence of zero observations and produces consistent estimates when there is large variability in the trade data.
22. Full results are available in Table B5 in the online supplementary material.
23. Interpretation of the primary market and the future growth market coefficients is relative to the baseline category of non-priority markets.

Figure 8. Results of the gravity model of the UK's annual bilateral creative services exports



Notes: The coefficient plot was created using the Stata *coefplot* command with 90% confidence intervals. The common religion index was multiplied by 10 to adjust the unit and is missing values for Curaçao, Liechtenstein and Sint Maarten. Results were obtained from a Poisson pseudo-maximum likelihood regression through the Stata *ppmlhdfe* command. Standard errors are clustered at (importer) country level. Exports (in £ million) (DCMS Sectors Economic Estimates; DCMS, 2025). Full results are available in Table B5 in the online supplementary material.

This model was repeated for each of the creative industries sub-sectors, as defined by DCMS, and the results are presented in Table B6 in the online supplementary material.[24] Overall, the results are similar, as the GDP and distance coefficients are both significant across the sub-sectors (apart from the distance coefficient for the 'museums, galleries and libraries' sub-sector). The language and common religion variables are also significant across some sub-sectors. For priority markets, there is now significance across some sub-markets, with significant positive effects for primary markets in the 'architecture', 'film, TV, video, radio and photography' and 'museums, galleries and libraries' sub-sectors, and a significant negative effect for future markets in the 'film, TV, video, radio and photography' sub-sector. This indicates that analysis at the sub-sector level is important as it picks up significant effects that would otherwise be subsumed by the aggregate measure of overall creative services exports.

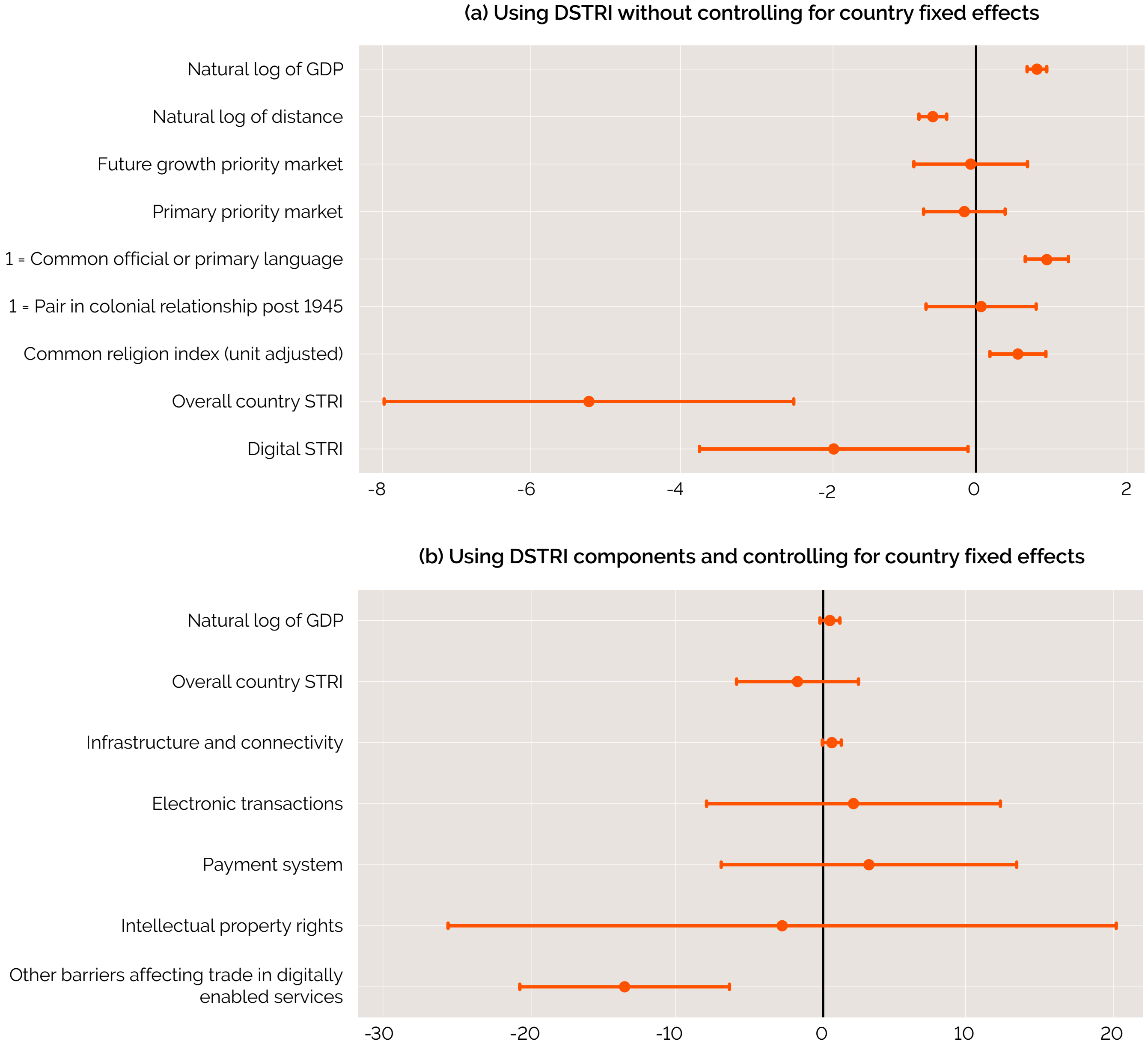
24. The 'crafts' sub-sector was not included due to an insufficient number of observations.

3.2 Gravity and creative services trade restrictions

To examine the impact of services trade restrictions on UK creative services exports, the gravity model was subsequently updated to incorporate STRI and DSTRI. The results of this estimation (using the set of countries outlined in Box 5) are illustrated in Figure 9(a) and 9(b).[25] In Figure 9(a) both the STRI and the DSTRI coefficients are negative and significant, indicating lower levels of creative services trade with countries with higher levels of restrictions. However, in Figure 9(b) fixed effects for each importer country are also included in the regression estimation, and these capture a range of unobserved factors that are specific to the importing country – when these are included, the STRI variable becomes insignificant, so Figure 9(b) suggests that the STRI variable was previously capturing other unobserved factors at the country level and/or that there is relatively low variability in STRI levels over time at the individual country level. There is, however, a significant effect for 'other barriers affecting trade in digitally enabled services', although not for the other DSTRI components, which do not seem to play an important role in determining levels of creative services exports. However, a criticism of using the STRI and DSTRI variables here is that they capture the overall level of restrictions for all services at the country level and not at the creative sub-sector level. As such, the next step is to focus on the specific creative sub-sectors covered in the STRI.

25. A full set of results are provided in Table B8 and Table B9 in the online supplementary material.

Figure 9. Results of the gravity model of the UK's annual bilateral creative services exports for countries with STRI and DSTRI



Notes: The coefficient plot was created using the Stata *coefplot* command with 90% confidence intervals. The common religion index was multiplied by 10 to adjust the unit and is missing values for Curaçao, Liechtenstein and Sint Maarten. Results were obtained from a Poisson pseudo-maximum likelihood regression with high dimensional fixed effects though the Stata *ppmlhdfe* command. Standard errors are clustered at (importer) country level. Exports (in £ million) (DCMS Sectors Economic Estimates; DCMS, 2025). Full results for (a) and (b) are available in Table B8 and Table B9, respectively, in the online supplementary material.

3.2.1 Sub-sector gravity estimations

The results of the sub-sector gravity estimations are provided in Figure 10. These include the fixed effects, as discussed earlier, and the STRI at the sub-sector level by each of the different types of restriction (see Box 3 for details of these STRI measures). The *DSTRI* variable is also included for each different measure of digital restriction.

Figure 10 shows a range of significant negative effects for the STRI restrictions at the sub-sector level. The restriction component 'regulatory transparency' is significant for motion pictures and broadcasting. This may include restrictions relating to, among others, visa processing times and bureaucracy of registering a company. The 'barriers to competition' component is also significant for motion pictures. This may include advertising limitations and monitoring of vertical integration. 'Restrictions to movement of people' is significant for the computer services sub-sector. This can include labour market tests and limitations on duration of stay for suppliers. 'Other discriminatory measures' have a significant negative relationship with the architecture services, motion pictures and sound recording sub-sectors. This may cover, for example, restrictions on foreign firm names in architectural services and requirements for local content and cast and crew in motion pictures and sound recording.

Inclusion of the *DSTRI* variable by its different components also leads to significant negative relationships with creative services exports across the sub-sectors, although DSTRI here is measured across all services.

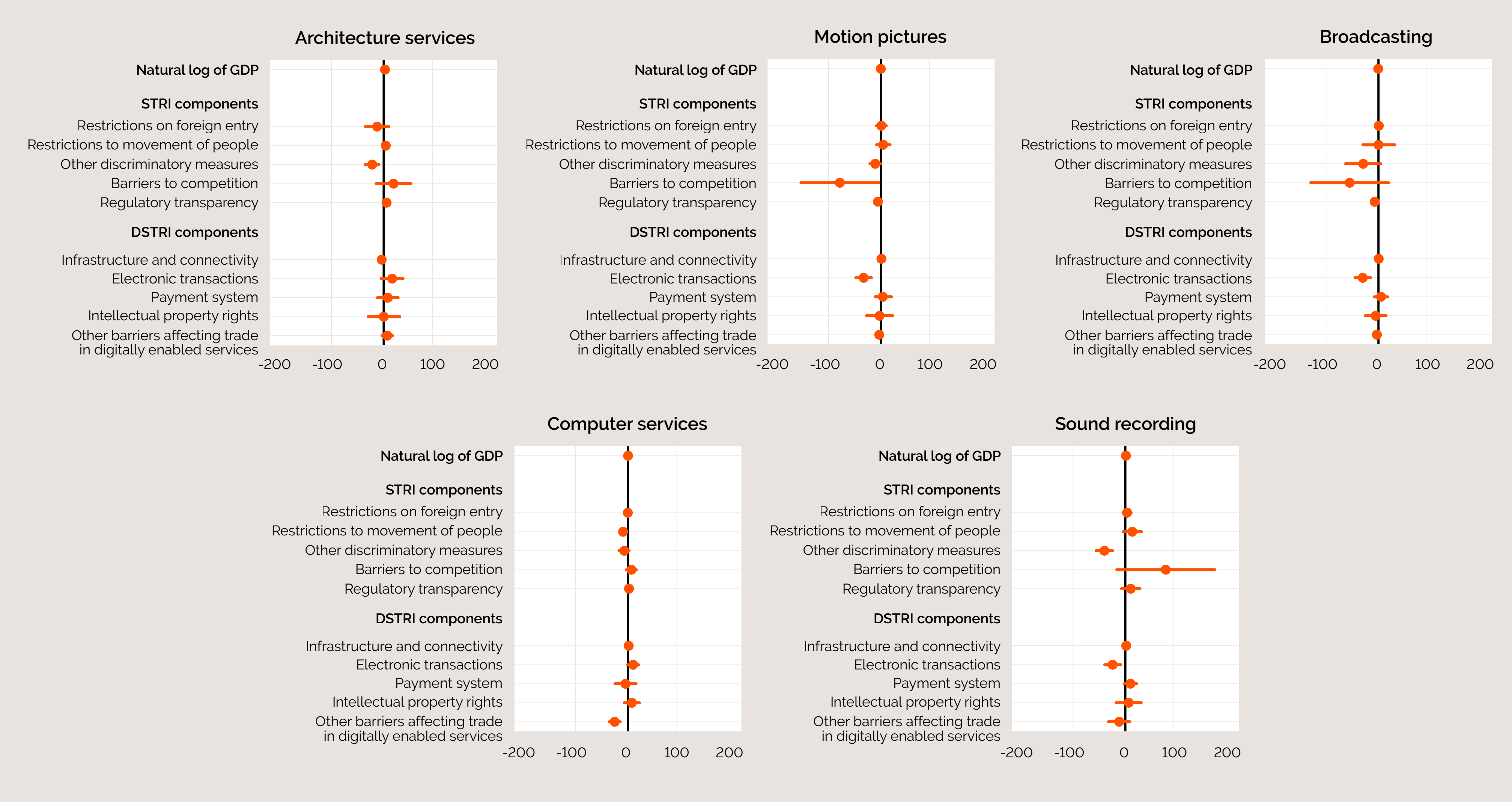
Nevertheless, significant effects are found for 'electronic transactions' for motion pictures, broadcasting and sound recording. This may include restrictions on online tax registration and electronic signatures. 'Infrastructure and connectivity' restrictions are significant for architecture services. This can include restrictions on and prohibition of cross-border data flows. 'Other barriers affecting trade in digitally enabled services' are significant for computer services. This covers restrictions on downloading, streaming and online advertising and the requirement of a local presence. These findings highlight the variety of services and digital services restrictions with a significant negative relationship with UK services exports across the creative sub-sectors.

Both the STRI and DSTRI, as highlighted earlier, measure restrictions at the multilateral level and apply, for each country, to any trade partner without distinction, so they don't capture bilateral or country-specific agreements that typically are designed to reduce trade barriers and are expected to increase levels of trade. Incorporating these agreements would be an avenue for future analysis. Doing so could be expected to further increase the impact of the trade restrictions. This is because the current results, without the inclusion of trade agreements, underestimate such impact, since the trade flows used in the estimation reflect also the positive effect on trade that would be expected to arise from, but are not currently attributed to, such agreements. In other words, these results are a lower-bound estimation of the true impact of trade restrictions on services trade.[26]

26. Readers should also bear in mind that the exports data is based on surveys that omit firms with fewer than ten employees and trade restrictions may have a greater impact on these firms. Again, this means that the estimates may be a lower bound of the true impact of restrictions on trade.

Figure 10. Results of the gravity model of the UK's annual bilateral creative services exports by creative sub-sector for countries with STRI and DSTRI components

Separate sub-sector regressions with STRI and DSTRI components



Notes: The coefficient plot was created using the Stata *coefplot* command with 90% confidence intervals. In each regression, the dependent variable, *expval*, is the UK's annual sub-sectoral bilateral services exports value (in £ million) (DCMS Sectors Economic Estimates; DCMS, 2025) for 'architecture' (architecture services), 'film, TV, radio and photography' (motion pictures and broadcasting), 'IT, software and computer services' (computer services) and 'music, performing and visual arts' (sound recording). The STRI components included are those for the respective sub-sector indicated in the column title. Results were obtained from a Poisson pseudo-maximum likelihood regression with high dimensional fixed effects though the Stata *ppmlhdfe* command. Standard errors are clustered at (importer) country level. Country- and year-level fixed effects are absorbed. Full results are available in Table B10 in the online supplementary material.

4 Text-based STRI analysis

In the five years since the formal implementation of Brexit in 2021, the UK has been engaged with the EU in multiple discussions at varying levels to review the Trade and Cooperation Agreement (TCA). With the EU being one of the primary priority markets for UK's creative services exports, the UK's creative exporters would be expected to benefit from the expansion of opportunities through the reduction of restrictions on services trade among EU countries, as highlighted by the significant effects of trade restrictions on creative services trade revealed in the previous section.

The previous section also highlights the importance of focusing on services trade restrictions at the sub-sector level and by market destinations, such as the primary and future growth markets identified in the Creative Industries Sector Plan. Due to the high degree of complexity of multilateral negotiations, attempts to increase trade flows also occur through bilateral or regional discussions based on thematic areas. For example, the UK-Singapore Digital Economy Agreement in 2022 covers digital trade, while the UK-Republic of Korea Digital Partnership in 2023 paved the road for enhanced collaboration in areas that include data and AI. The UK-Japan Industrial Strategy Partnership in 2025/26 covers cooperation in the Advanced Manufacturing, Automotives, Clean Energy, Life Sciences, Quantum and Cyber industries as well as cooperation on the Defence, Space, Creative, and Digital and Technology industries (DBT, 2026). As with the UK-India trade deal in 2025, the UK-GCC trade deal, agreed on 20 May 2026, will secure enhanced copyright protections for UK creative exporters.

To examine the main themes of the restrictions for services trade in EU countries, a word cloud and topic modelling analysis was undertaken on the STRI Regulatory Database, which contains the underlying information on services trade policies based on existing laws and regulations that is used to calculate the index. This allows us to more precisely explain the context of the recorded regulations (see Box 3 for further information on the compilation of the STRI).[27] In doing so, the topic modelling allows identification of specific words and issues (or themes) that are specific to the EU and that might impact UK creative services exporters and hence also be of potential importance to trade agreements.

27. Comments were recorded for each of the regulations in the five creative industries sub-sectors: 'architectural services', 'motion picture, video and television programme activities', 'programming and broadcasting activities', 'computer programming, consultancy, and information' and 'sound recording and music publishing activities'.

Figure 11 shows the main themes of the restrictions for services trade in EU countries for the five creative sub-sectors in the STRI that were uncovered through topic modelling, presented in the form of a word cloud for each theme (the main themes of the restrictions in India, Japan, Singapore and South Korea are provided in Figure B2 of the online supplementary material).[28, 29] Within the creative sub-sectors, several distinct themes emerged from combining topic probabilities and within-topic word probabilities. The themes are: 'media use and reproduction', 'data protection', 'procurement', 'employment permit and visa', 'competition law' and 'copyright and IP'. The themes of 'competition law' and 'copyright and IP' are more distinctly recognisable in EU markets compared to several priority markets outside the EU, such as those which recently signed agreements with the UK (namely, India, Japan, Singapore and South Korea), suggesting that intensification of creative services exports into the EU in general requires additional effort, compared to other creative priority markets, through stronger regulatory environments governing competition and protection of IP.

28. Topic modelling analyses textual information to identify the core underlying topics, or themes, that relate to the body of text (Daud et al., 2010). The most popular type of topic modelling, used here, is latent Dirichlet allocation (see Blei, Ng and Jordan, 2003, for a detailed overview of the process). The analysis was carried out using the Stata command *ldagibbs*, which provides output in two parts: a matrix containing the probability of a word relating to an existing law or regulation belonging to a particular topic; and a matrix containing the word probabilities associated with a given topic (Schwarz, 2018).

29. Although the UK announced a trade deal with the GCC on 20 May 2026, no GCC countries are recorded in the STRI database.

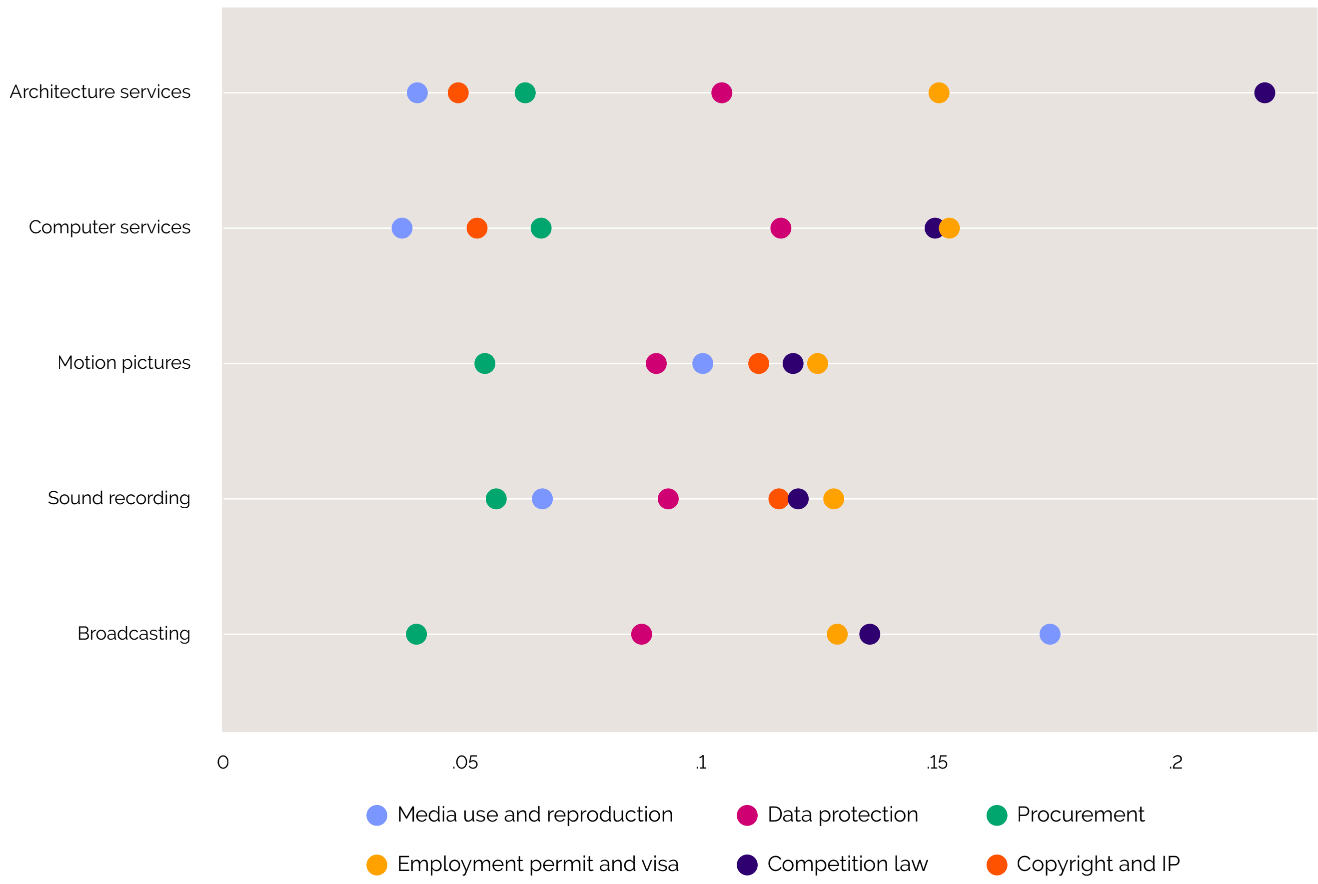
Figure 11. Main themes of restrictions in EU countries (highest topic probability), 2025

Source: Authors' calculation using the STRI Regulatory Database (http://oe.cd/stri-db) for 2025 in five creative sub-sectors: architecture services, computer services, motion pictures, sound recording and broadcasting

Notes: Graphs were created using the Stata package wordcloud2. Topic titles were assigned by authors. Topic modelling was done to generate ten topics, out of which six topics (shown in this figure) were the most clearly distinct from each other. Word probabilities and topics were generated under topic modelling using the Stata command *ldagibbs* while removing a set of stop words (provided in Figure B2 notes in the online supplementary material).

The heterogenous nature of creative activities implies a variation in the emphasis of restrictions across sub-sectors for UK creative services exporters exporting to the EU. In order to reveal which of the topics in Figure 11 are most likely to appear in the regulations for each of the five sub-sectors, the topic probabilities of all regulations or restrictions in the database within each sub-sector were averaged across countries and plotted. These average probabilities are provided in Figure 12, which shows that for creative services exporters into EU countries, exports in architecture services are most likely to face regulations governing 'competition law', while exports in broadcasting are most likely to face regulations pertaining to 'media use and reproduction'. Across all five sub-sectors, 'employment permit and visa' restrictions are very likely, and this is most prominent category for the motion pictures and sound recording creative sub-sectors.

Figure 12. Average probabilities of topics for services trade restrictions in EU countries by creative sub-sector, 2025



Source: Authors' calculation using the STRI Regulatory Database (http://oe.cd/stri-db) for 2025 in five creative sub-sectors

Notes: Topic modelling was done to generate ten topics, out of which six topics (shown in this figure) were the most clearly distinct from each other. Topic titles were assigned by authors. Word probabilities and topics were generated under topic modelling using the Stata command *ldagibbs* while removing a set of stop words (provided in Figure B2 notes in the online supplementary material). Values are provided in Table A11 in the online supplementary material.

The regulatory coverage of the STRI at multilateral level, however, masks services trade restrictions at the regional or bilateral level, which may be especially relevant for certain sub-sectors. Following the UK's Brexit in 2021, free mobility in EU countries ended for UK creatives. While the UK-EU TCA allows a maximum stay of 180 days (in a year) without a work permit or visa for British musicians, additional restrictions on employment by individual countries as well as cabotage rules and the bureaucracy of carnets have severely dampened UK artists' participation in the EU's music scenes through higher direct and indirect costs, resulting in a 75% decline in bookings (Musicians' Union, 2024). Touring in the EU, which has long been a part of UK musicians' careers, has also become more challenging, especially for early career music creators and lower earners, and the wider music industry workforce in the UK faces expensive, bureaucratic and mentally detrimental experiences as it navigates the implications of restrictions post Brexit (UK Music, 2025). While the UK government continues efforts to negotiate the terms of the UK-EU TCA in 2026, UK musicians or travelling artists aspiring to work in the EU must comply with individual country policies for artists, such as applying for a 'settlement permit artist' in Austria.[30]

30. See https://www.bmi.gv.at/312_EN/19/start.aspx

5 Conclusion

5.1 Summary and main findings

Increasing exports is one of the central aims of the Creative Industries Sector Plan, which is part of the UK's Modern Industrial Strategy. In this direction, the Sector Plan recognises that the UK must not only maintain strong trading relationships with existing trade partners in primary markets, but also diversify exports towards future growth markets, where there are rapidly growing creative economies. There are, however, barriers to such growth in exports, particularly in the form of market access barriers and especially when it comes to trade in services.

This report examines the nature and the extent of services trade restrictions facing UK creative exporters, which account for an important share of all UK services exports, to highlight the depth and breadth of restrictions that will need to be overcome for UK exporters to maximise their export potential. The report does this by examining UK creative services exports to the primary and future growth markets set out in the Sector Plan and looking at how these are related to services trade restrictions, measured by the OECD STRI and DSTRI. The report builds its evidence on descriptive analysis of export flows and restrictions as well as econometric analysis through a gravity model approach that highlights the importance of restrictions for UK creative services exports. Finally, a topic modelling analysis is presented on the main restrictions captured in the STRI specifically for the EU market, where the UK is currently engaged in multiple discussions to review the TCA.

Main findings of the report are summarised as follows:

- As expected, **UK creative services exports are mainly directed to the primary markets** and within these, to a large extent, **the USA and the EU. Future growth markets receive only about 2%** of the UK's creative services exports. While this share is quite small, as indicated by the Sector Plan, these countries – especially those in the GCC – are undergoing a process of economic transformation and diversification that includes the creative economy, so **the potential for growth is significant**. However, the relatively high levels of restrictions in these markets mean that creative businesses may struggle to fully pursue this opportunity, and government support and new trade agreements may be critical.
- Empirical estimates from the gravity model uncover **significant negative relationships between various types of services trade restrictions and creative exports. The importance of these restrictions varies across creative sub-sectors**. Restrictions relating to 'regulatory transparency', for example, are significant for the motion pictures and broadcasting sub-sectors. These may cover aspects such as visa processing times and bureaucracy of registering a company. 'Barriers to competition', such as advertising restrictions, are also significant for motion pictures. 'Restrictions to movement of people', covering aspects such as labour market tests and limitations on duration of stay for suppliers, are significant for computer services. 'Other discriminatory measures' have a negative relationship with the architecture services, motion pictures and sound recording sub-sectors, capturing, for example, restrictions on foreign suppliers of architectural services to the government in architectural services and requirements for local content on cast and crew in motion pictures and sound recording.

- Topic modelling analysis of the STRI database shows **differences across trading blocs when it comes to the type of restrictions**. For the EU, it identifies the following key regulatory themes as services trade barriers: 'media use and reproduction', 'data protection', 'procurement', 'employment permit and visa', 'competition law' and 'copyright and IP.' This can be compared to non-EU priority markets, where 'competition law' and 'copyright and IP' are less prominent. This confirms that the EU is in general a protectionist bloc where barriers are driven by internal regulation. Hence, keeping high levels of trade with the EU requires close regulatory alignment and/or negotiation of specific provisions via trade agreements.

Further findings include the following:

- **UK creative services exports are heavily concentrated in particular sub-sectors**, notably 'IT, software and computer services' contributing nearly 60% of these exports and, together with 'film, TV, video, radio and photography', 'advertising and marketing' and 'publishing', accounting for 95% of these exports.
- At the **sub-sector level, however, there is variation in export destinations**, where although the USA is the main destination for the 'IT, software and computer services', 'publishing' and 'music, performing and visual arts' sub-sectors, the EU is most dominant in 'film, TV, video, radio and photography', 'advertising and marketing' and 'design'. Further, other regions are important destinations for UK creative services exporters, such as the GCC countries for 'architecture', and China for 'publishing'.
- **Services trade restrictions are seen to vary by type of market** with trade barriers, as measured by the STRI, **generally lower in primary markets**. In future growth markets, while STRI values are higher, there was a decrease in the recent period. For some countries in the future growth markets, however, there are levels of STRI comparable to those in primary markets.
- There is notable **variation in the STRI across sub-sectors and types of restrictions**. In the primary markets, this includes increases in STRI for the creative sub-sectors of sound recording and computer services, but with highest levels for the architecture services and broadcasting. For the future growth markets, STRI is higher compared to primary markets for all sub-sectors and highest in absolute terms for architecture services and broadcasting sub-sectors, although there was a recent decline for sound recording and computer services so that the gap in the level of restrictions between primary and future growth markets narrowed in these sub-sectors.
- Restrictions that relate specifically to digitally delivered services were found to impact negatively across the creative sub-sectors. This includes significant negative relationships between 'electronic transactions' (which can include restrictions on online tax registration and electronic signatures) and exports in the motion pictures, broadcasting and sound recording sub-sectors; 'infrastructure and connectivity' restrictions (which can include restrictions and prohibition of cross-border data flows) and exports in architecture services; and 'other barriers affecting trade in digitally enabled services' (which covers restrictions on downloading, streaming, online advertising and the requirement of a local presence) and exports in computer services. This highlights the various types of digital services restrictions that have a significant negative relationship with UK services exports across the creative sub-sectors.
- At the sub-sector level, architecture services are most affected by 'competition law' regulations and broadcasting is most affected by 'media use and reproduction' rules. 'Employment permit and visa' restrictions are important across all creative sub-sectors and the most prominent category for motion pictures and sound recording.

5.2 Policy considerations

The Sector Plan's ambition to both increase exports to existing market destinations and expand trade to new growth markets leans against the current headwinds of global trade policy uncertainty (United Nations Trade and Development, 2026). The analysis in this report reveals a significant negative relationship between services trade restrictions in destination countries and UK creative services exports. Therefore, reducing restrictions through, for example, trade diplomacy and trade negotiations should be a major objective of trade policy.

When it comes to the primary markets, existing services trade restrictions are lower than in other markets, but global geopolitical tensions risk endangering this current state. This makes it difficult to 'bank' on the current strength of export growth, requiring a doubling down of efforts both in terms of diplomacy and trade support to navigate the effects of short-term political uncertainty. The pending UK-EU trade review offers a unique opportunity to reduce the barriers to creative services trade post Brexit – for example, in terms of the short-term movement of people, which was found in this report to have significantly impacted UK creative services exports in the computer services sub-sector. The report also finds that geography matters, even in services, meaning that some sub-sectors, like those related to audiovisual, may also benefit from closer alignment and participation in EU-wide programmes, such as Creative Europe. Indeed, recent recommendations from the House of Commons committee report on cultural touring in the EU suggest re-engaging with the programme as well as pursuing other measures to reduce the costs for touring artists, such as seeking bilateral cultural agreements and reducing the upfront cost of carnets (House of Commons, 2026).

The current evidence points to relatively low levels of trade in future growth markets, so there are potentially substantial opportunities to increase trade in these markets. This requires increasing efforts in trade diplomacy. When it comes to creative trade, this often involves direct high-level political involvement in the form of summit diplomacy. The recent commitment to a trade agreement encompassing digital trade with the GCC signals the potential gains that can be achieved from such diplomacy, and we hope this report provides helpful insights and context for future summit diplomacy that is undertaken, such as for the WTO Joint Statement Initiative on e-commerce that the UK joined in July 2024 and for which WTO joiners set mid-2027 as an ambitious but feasible target for bringing the agreement into force.[31] ,[32] This e-commerce agreement or ECA

31. See: https://globebanner.com/members-discuss-preparations-to-bring-e-commerce-agreement-into-force-by-mid-2027

32. The WTO e-commerce agreement (ECA) will enter into force only when at least 45 countries ratify it. The UK has not ratified it yet but 'is working closely with other WTO Members to give legal effect to the ECA as soon as possible' (UK Parliament, 2025). It took five years of negotiations for the UK and 90 other countries to agree the first global digital trade agreement under the WTO (DBT and Department for Science, Innovation and Technology, 2025); however, only 73 WTO members signed up to the plurilateral agreement text as of June 2026 (refer to the previous footnote), of which 67 agreed interim arrangements to implement it, covering more than 70% of global trade (EU Directorate-General for Trade and Economic Security, 2026). The ECA represents also a shift in the way the WTO operates with a move from consensus-based multilateralism to coalition-based rulemaking (plurilateralism), allowing the WTO's first major update to trade rules for the digital economy. But trade diplomacy will be essential as 'the 66 WTO Members reaffirm their commitment to seeking incorporation of the E-Commerce Agreement into the WTO legal framework of rules, and will continue to engage and encourage all WTO Members to join the E-Commerce Agreement' (see the joint press release by the Department of Foreign Affairs and Trade, Australia, the Ministry of Foreign Affairs, Japan, the Ministry of Economy, Trade and Industry, Japan, and the Ministry of Trade and Industry, Singapore; https://www.meti.go.jp/press/2025/03/20260328001/20260328001-1r.pdf).

(WTO, 2024) will facilitate trade through the legal recognition of e-signatures, e-contracts and e-invoicing and promote paperless trading and digital customs procedures, de facto lowering administrative and regulatory frictions for both goods and services trade, and it will also prohibit customs duties on electronic transmissions among participants, support cross-border digital connectivity, encourage cooperation on cybersecurity and promote common standards, interoperability, transparency, trust and legal certainty, making cross-border services trade operationally viable at scale. Since the WTO ECA governs the regulatory and transactional architecture underpinning cross border trade in digitally delivered services, it will lower barriers to trade disproportionately for small and medium-sized services exporters that face higher fixed compliance costs, payment and trust issues, or legal uncertainty abroad. Making sure that the ECA not only enters into force in the foreseeable future but also is incorporated into the WTO legal framework, while inviting more WTO Members to join the agreement to maximise its impact, will require an exercise in sustained trade diplomacy efforts by the UK and the other signatories.

The report highlights the impact that multilateral services trade restrictions have on UK creative services exports so that another important opportunity to enhance creative trade can emerge at the level of international multilateral negotiations at the WTO. The current geopolitical fragmentation offers an opportunity for smaller players with strong international reputation and soft power, like the UK, to play the critical diplomatic role needed to reach agreements.

Finally, the forthcoming Creative Industries Trade and Investment Board refresh is also an opportunity to renew the efforts of a body designed to boost creative trade. As an industry convening body, the board is uniquely positioned to play the dual role of supporting and promoting the visibility of UK creative industries in international markets and gathering and conveying to policymakers the creative industries perspective when it comes to trade support and the importance of barriers removal, especially in forthcoming trade negotiations.

Glossary

The **DSTRI** is the Digital Services Trade Restrictiveness Index. This consists of the Regulatory Database on digital services trade and an index, derived from the database, that quantifies the degree to which the recorded policies restrict digital trade. The index takes a value of between 0 (low level of restrictions) and 1 (high level of restrictions).

Future growth markets are the set of countries identified in the Creative Industries Sector Plan as high growth and/or emerging. These are defined according to the ONS National Statistics Country Classification as ASEAN, Brazil, Central Asia, Nigeria and South Korea.

The **Gravity model** in the context of international trade predicts that countries that are larger in economic size and those that are closer in physical distance will have higher levels of trade flows. Distance between markets can be extended to incorporate the 'cultural' distance between countries, to do with language and the historical relationships between countries, for example. Other economic features – notably, restrictions on trade – may also impact on trade flows and can be included in the model.

Primary markets are the set of countries identified in the Creative Industries Sector Plan as driving the highest volume of creative exports. These are defined according to the ONS National Statistics Country Classification as Australia, China, the EU, the GCC, India, Japan and North America.

Services trade is the buying and selling of intangible products across international borders, which is often categorised into four modes: cross-border trade, consumption abroad, commercial presence and the movement of persons.

The **STRI** is the Services Trade Restrictiveness Index. This consists of the Regulatory Database on services trade, which compiles information on applied services trade policies based on existing laws and regulations, and an index, derived from the database, that quantifies the degree to which the recorded policies restrict trade. The index takes a value of between 0 (low level of restrictions) and 1 (high level of restrictions).

Abbreviations and acronyms

AI	artificial intelligence
ASEAN	Association of Southeast Asian Nations
BRICS	Brazil, Russia, India, China, South Africa
CEPA	Comprehensive Economic Partnership Agreement
CETA	Comprehensive Economic and Trade Agreement
CPTPP	Comprehensive and Progressive Agreement for Trans-Pacific Partnership
DBT	Department for Business and Trade
DCMS	Department for Culture, Media and Sport
DSTRI	Digital Services Trade Restrictiveness Index
ECA	e-commerce agreement
FTA	free trade agreement
GCC	Gulf Cooperation Council
GDP	gross domestic product
IP	intellectual property
MRPQ	mutual recognition of professional qualifications
ONS	Office for National Statistics
STRI	Services Trade Restrictiveness Index
TCA	Trade and Cooperation Agreement
UAE	United Arab Emirates
WTO	World Trade Organization

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OECD Services Trade Restrictiveness Index by services sector

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OECD Digital Services Trade Restrictiveness Index

The DSTRI data for 129 countries over 2014–2025 is publicly available for download from the OECD Data Explorer (Digital Services Trade Restrictiveness Index). Composite indices take a value between 0 (completely open to trade and investment; least restrictive) and 1 (completely closed to foreign services providers; most restrictive). These indices are not identified by sector.

OECD Services Trade Restrictiveness Index Regulatory Database

The STRI Regulatory Database (2014–2025), which contains information on trade restrictions and behind-the-border regulations for various sectors, is publicly available for download from the OECD Data Explorer (http://oe.cd/stri-db).

OECD Digital Services Trade Restrictiveness Index Regulatory Database

The DSTRI Regulatory Database (2014–2025), which identifies and catalogues barriers that affect trade in digitally enabled services across 129 countries and economies, is publicly available for download from the OECD Data Explorer (http://oe.cd/dx/dstri-db). These barriers are not identified by sector.

CEPII Gravity database

Data for country-level time-invariant variables (geographical distance, common official language, post-1945 colonial relationship, common religion index) in relation to the UK for the gravity model regressions is available for download from the CEPII gravity database (https://www.cepii.fr/CEPII/en/bdd_modele/bdd_modele_item.asp?id=8). Since the CEPII data is at country pair (origin country–destination country) level, the variables in this gravity model were obtained from those in which the UK is the origin country. Data for the year 2021 was used.

United Nations data

Values of GDP by type of expenditure at current prices (in US dollars) for countries by year are available from the National Accounts Estimates of Main Aggregates provided by the United Nations Statistics Division (https://data.un.org/Data.aspx?d=SNAAMA&f=grID%3a101%3bcurrID%3aUSD%3bpcFlag%3a0), available for up to 2024 at the time of this report.

Data statement

All datasets used in this report are freely available via the links provided.

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