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Contractor: Estonian Institute of Economic Research (ordered by Enterprise Estonia in co-operation with the Ministry of Culture)

The Study and Mapping of the Estonian Creative Industries

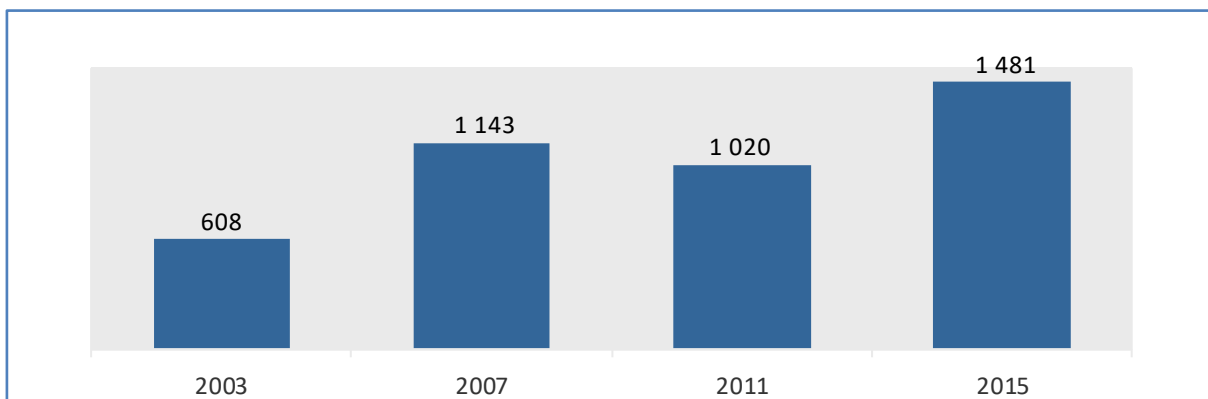
Creative industries are an area of economic activity based on individual and collective creativity, skills and talent. They are capable of creating well-being and jobs through the use of intellectual property. The main selling point is the use of intellectual property and this is where creative people are central to the process.

Creative industries generate direct economic returns and are also an environment that enables other economic entities to be more competitive in the market and find consumers. Through creativity it is possible to shape the country's image, design the identity of goods or services and symbols, sell higher-priced experiences and intellectual enjoyments. With the rapid development of information technology and digital age, the sector's output has expanded as well as the possibilities for the transmission of the creation. Web platforms and digital solutions are increasingly used in the creative industries. The value added to society has increased.

The creative industries sector accounted for around 3% of Estonia's economy in 2015.

The creative industries sector is mapped with a 4-year interval, therefore the period from 2011-2015 has been used. After the economic crisis in 2008/2009, the creative industries sector declined but then from 2011-2015 the sector's revenues grew significantly – by as much as 45%. The largest increase in revenue was in the area of interactive leisure software, which is a rapidly developing sector and operates in a global market. Revenues did not decrease in any of the mapped sectors.

The Total Income of the Creative Industries Sector for 2003-2015 (million euros)



Note: The figure shows calculations for the years under review.

Between 2011 and 2015, 2,175 enterprises and institutions and over 3,400 employees were added to the creative industries sector. At the same time, the number of enterprises and institutions in the creative industry increased slightly faster from 2011-2015 than in Estonian businesses as a whole – 31% in the creative industries and 27% in Estonian enterprises accordingly. The biggest sector is publishing (including printing as related activity) in terms of both the number of employees and total revenue.

Exports of services accounted for 5.6% of the total exports of the creative industries in 2015. The main export sectors were the interactive leisure software and publishing related printing. The main target markets for exports were the neighboring countries (the Nordic countries, Russia, Latvia). The main target market among the distant countries has been the United States (especially concerning interactive leisure software and musical instruments).

The development of export capacity and a search for export opportunities is of utmost importance as well as an additional export potential in areas such as architecture, design, film and video.

Economic Indicators of the Estonian Creative Industries 2015

Sub-sector	The number of enterprises and institutions	The number of employees	Total income (million euros)	Exports (million euros)
ARCHITECTURE	1 403	3 430	152	14
Audio-visual: FILM and VIDEO	635	1 196	76	11
Audio-visual: BROADCASTING	86	1 776	161	1
DESIGN	677	1 060	42	15
PERFORMING ARTS	419	3 004	69	1
PUBLISHING	769	5 000	324	92
Cultural Heritage: CRAFTS	320	1 045	14	2
Cultural Heritage: MUSEUMS	256	1 733	89	-
Cultural Heritage: LIBRARIES	946	2 670	42	-
ARTS	210	1 215	12	0,3
INTERACTIVE LEISURE SOFTWARE	48	989	100	97
MUSIC	2 169	4 940	141	9
ADVERTISING	1 160	2 623	259	50
TOTAL	9 098	30 681	1 481	293
The proportion of the whole economy (%)	11,6	4,8	2,8	5,6*

* the proportion of the exports of services

The public sector contributed 193 million euros for the support structures and for enterprises of creative industries in 2015. Thus, 13% of the gross income of the creative industries came from public contributions. The biggest contributors of the creative sector were the Estonian Cultural Endowment, the Ministry of Culture and the Enterprise Estonia. The public sector contributes significantly to the preservation of cultural heritage, as much as 92% of libraries' total revenue and 37% of museums' total revenue came from the public sector. The public sector also contributes to performing arts (47% of the sector's total revenue), to arts (29%), to music (26%, in particular to concert organizations), to the broadcasting sector in the Estonian National Broadcasting (21%) and to the film and video sector (9%). In fact, the public sector's indirect support for the creative economy is even higher. For example, the state is an important procurer in the area of advertising, the same is true for the architecture sector.

It is certain that entrepreneurial awareness has grown and the sector has been tidied up (business models and sector became more transparent). In the coming years, creative people must be able to significantly increase their incomes by using additional funds coming from the free market, therefore the ability of creative industries to earn revenues on their own has to increase.

The competitiveness of the creative industries and its integration with other sectors of the economy should increase substantially in the future.

The trend of the last decade has been the creation of a number of small businesses, then now it is essential for the companies to integrate and better co-operate with the other enterprises. Greater co-operation between the creative industry and different sectors of the economy is critical in the future. It can be mentioned here the development of tourism through the provision of additional cultural services to foreign tourists; one of the organic components of industrial product development and innovation should be design; the export of Estonian products and services can be facilitated by a better image of the state on the world stage where culture can act as an important introducer of the country. Additionally, museums, arts, interactive leisure software sector and film industry could do much higher co-operation with the education sector.