

# Creative Industries Economic Estimates Technical Note

February 2010



## Interpretation of the figures

All readers should be aware that:

1. All figures are estimates since they draw on fixed assumptions of the correspondence between the definitions of the Creative Industries and the definitions used in official sources. These are shown in Annex A.
2. As far as possible National Statistics (NS) sources are used as the basis for the estimates to ensure consistency and hence comparability between sectors. Where NS data are not available other research has been used which may not have been subjected to the same quality checks. It therefore follows that these estimates, and some of the overall totals which may include these estimates, may not be as reliable as National Statistics.
3. With the exception of the number of businesses counts, sources are sample surveys. These data are thus subject to sampling errors, in particular when sample sizes are small for the detailed classifications. Therefore too much emphasis should not be placed on fluctuations in the figures.
4. Due to the structure of the official classifications used, it is necessary to combine 'Interactive Leisure Software' with 'Software and Computer Services' and 'Music' with 'Performing Arts' to produce these estimates.
5. All tables are for the UK, with the exception of Table 3 (employment) which relates to Great Britain.
6. Please note that data on the number of businesses remains the same as in the January 2009 bulletin. Data on 2009 businesses will be provided in the next bulletin.

## ANNEX A – Mapping the Creative Industries to official data classifications

Table A1 - Assumption for correspondence between Creative Industries and the 2003 Standard Industrial Classification

Mapping Document Chapter	Sector	Standard Industrial Classification (SIC)		Proportion of code taken (*)
		Code	Description	
1	Advertising	74.40	Advertising	
2	Architecture	74.20	Architecture and engineering activities and related technical consultancy (‡)	✓ (25%)
3	Art & Antiques	52.48	Other retail sale in specialised stores (‡)	✓ (5%)
		52.50	Retail sale of second-hand goods in stores	✓ (5%)
4	Crafts	Majority of businesses too small to be picked up in business surveys		
5	Design	No codes match this sector		
6	Designer Fashion	9 Codes	Clothing Manufacture (†)	✓ (0.5%)
		74.87	Other business activities not elsewhere classified	✓ (2.5%)
7	Video, Film & Photography	22.32	Reproduction of video recording	✓ (25%)
		74.81	Photographic activities	✓ (25%)
		92.11	Motion picture and video production	
		92.12	Motion picture and video distribution	
		92.13	Motion picture projection	
9 & 10	Music and the Visual & Performing Arts	22.14	Publishing of sound recordings	
		22.31	Reproduction of sound recording	✓ (25%)
		92.31	Artistic and literary creation and interpretation	
		92.32	Operation of arts facilities	
		92.34	Other entertainment activities not elsewhere classified	✓ (50%)
		92.72	Other recreational activities not elsewhere classified	✓ (25%)
11	Publishing	22.11	Publishing of books	
		22.12	Publishing of newspapers	
		22.13	Publishing of journals and periodicals	
		22.15	Other publishing	✓ (50%)
		92.40	News agency activities	

**Table A1 (continued): Assumption for correspondence between Creative Industries and 2003 Standard Industrial Classification**

Mapping Document Chapter	Sector	Standard Industrial Classification (SIC)		Proportion of code taken (*)
		SIC	Description	
8 & 12	Software, Computer Games & Electronic Publishing	22.33	Reproduction of computer media	✓ (25%)
		72.21	Publishing of software	
		72.22	Other software consultancy and supply	
13	Radio & TV	92.20	Radio and television activities	

\* As some SICs contain activity deemed to be outside of the Creative Industries, only a proportion of the total activity within these codes is included in the estimates (see Annex B).

† 9 Clothing Manufacturing codes used for Designer Fashion: 17.71, 17.72, 18.10, 18.21, 18.22, 18.23, 18.24, 18.30, 19.30

‡ For Table 4 (Numbers of Businesses), it is possible to use more specific '5 digit' codes for these 2 classes. These are 74.20/1 (Architectural activities) and 52.48/9 (Other retail sale in specialised stores not elsewhere classified).

**Table A2 - Best-fitting SOC2000 codes for Creative Occupations (to estimate number of creative jobs outside businesses in the Creative Industries)**

Mapping Document Chapter	Sector	Standard Occupational Classification (SOC)	
		SOC	Description
1	Advertising	1134	Advertising and Public Relations managers
		3433	Public Relations officers
		3543	Marketing associate professionals
2	Architecture	2431	Architects
		2432	Town Planners
		3121	Architectural technologists and Town Planning technicians
3	Art & Antiques	No codes match this sector	
4	Crafts	5491	Glass and Ceramics makers, decorators and finishers
		5492	Furniture makers, other craft woodworkers
		5493	Pattern makers (moulds)
		5494	Musical Instrument makers and tuners
		5495	Goldsmiths, Silversmiths, Precious Stone workers
		5496	Floral arrangers, Florists
		5499	Hand Craft occupations not elsewhere classified
		8112	Glass and Ceramics process operatives
		9121	Labourers in Building and Woodworking Trades (Δ)
5 & 6	Design & Designer Fashion	2126	Design and Development engineers
		3411	Artists
		3421	Graphic Designers
		3422	Product, Clothing and related designers
		5411	Weavers and Knitters
7	Video, Film & Photography	3434	Photographers and Audio-Visual equipment operators
9 & 10	Music and the Visual & Performing Arts	3412	Authors, Writers
		3413	Actors, Entertainers
		3414	Dancers and Choreographers
		3415	Musicians
		3416	Arts officers, producers and directors
11	Publishing	3431	Journalists, Newspaper and Periodical editors
		5421	Originators, Compositors and Print preparers
		5422	Printers
		5423	Bookbinders and Print finishers
		5424	Screen printers

**Table A2 (continued) - Best-fitting SOC2000 codes for Creative Occupations (to estimate number of creative jobs outside businesses in the Creative Industries)**

Mapping Document Chapter	Sector	Standard Occupational Classification (SOC)	
		SOC	Description
8 & 12	Software, Computer Games & Electronic Publishing	1136	Information and Communication Technology managers
		2131	IT Strategy and Planning professionals
13	Radio & TV	3432	Broadcasting associate professionals
		5244	TV, Video and Audio engineers

Δ Only a proportion of this SOC is taken

## ANNEX B – Further Notes

### 1. Classifications

As shown in Annex A, the definitions for the Creative Industries are based on the UK Standard Industrial Classification (SIC) and Standard Occupational Classification (SOC). However, the structure of these classifications means that for some SICs, identification of Creative Industries within *wider* industrial codes is required in order to produce the estimates in this bulletin. This is done by taking a proportion of the wider code – to represent only the part within the 'Creative Industries'. This methodology will be reviewed alongside the adoption of a new structure using SIC 2007 (see below).

Minor revisions were made to the SIC in 2003. The implications of the change from SIC(98) to SIC(03) for this bulletin were minimal with only the definitions for the Designer Fashion and Software sectors being affected. Data from 2003 onwards for these sectors are therefore not entirely consistent with previous years.

A full revision of the SIC structure has recently been undertaken (SIC2007) and implementation has begun. These changes will have major implications for the future series and will be dealt with in the wider bulletin methodological review.

### 2. Creating a Consistent Time Series

The following revisions have been incorporated to the bulletin since the last publication in January 2009. These have been done to ensure that we create a consistent time series for the creative industries and maintain data quality.

- Within the Radio and TV sector, there has been another significant revision to GVA series (Table 1a/1b). The 2006 and 2007 data are consistent with the series as published in the latest Annual Business Inquiry (ABI). Data for 1999-2005 is not consistent with that published in the ABI by ONS (due to their revisions policy for the series) and these differences are explained below:
  - As indicated in the January 2009 DCMS bulletin, some over-estimation was identified in the series for the period 2000-05. ONS has investigated the exact magnitude of this overestimation and the series has been adjusted accordingly by DCMS. These adjustments replace those estimated by DCMS in the January 2009 bulletin.
  - Data for all years has been revised (both in published ABI data for 2006-07 and in this series for 2000-05) due to a change in the treatment by ONS of grant income within the definition of turnover/GVA.
  - For this reason, and in order to preserve the time-series, GVA data for 1997-99 has been adjusted by DCMS using the trend in the employment series for the sector (based on LFS data).
  - These adjustments have therefore contributed to a lower estimate for GVA in the Radio & TV sector (and correspondingly to the Creative Industries overall) in all years since 1997.
  - However this means that the series for the sector (SIC 92.20) is different to that published officially in the ABI. The original source data can be accessed here: <http://www.statistics.gov.uk/abi/default.asp>.

- In addition to SIC 92.20, ONS have revised source GVA data from the ABI for 2006 for a number of other SICs, so Tables 1a and 1b have been updated accordingly.
- All comparative series for the whole economy have been updated to reflect the latest estimates.
- The number of Creative businesses reported in Table 4 increased significantly in 2008 due to a change in coverage of figures reported from the Inter-Departmental Business Register (IDBR). The figures have been enhanced to include enterprises based on PAYE employers that are not also registered for VAT (extending the previous scope from the previous VAT based enterprise figures). As this change affects the reporting of all companies in the IDBR, whilst the absolute number of creative businesses increased, the proportion they make up of all businesses remains unchanged.

### 3. Comparison to Input Output analyses figures for GVA (tables 1a & 1b)

The Creative Industries Economic Estimates differ significantly from those produced alongside [National Statistics Input-Output analysis](#) which is based on products rather than industries.

The most significant difference occurs from the input-output analysis not taking account of the fact that large proportions of data produced under the standard classification systems are not the result of creative activity. This causes some overestimation, for example since 'Clothing' is used in place of 'Designer Fashion'.

Finally, the input-output analyses exclude those sectors for which there is no official data, for example for Crafts and Design. This bulletin uses the best available data for these, which are industry estimates (though Crafts and Design are similarly excluded from total GVA estimates here).

### 4. Turnover data (tables 1a & 1b)

As the Crafts and Design sectors cannot be identified using official classifications, it is not possible to use the Annual Business Inquiry to obtain GVA data. Alternative sources are therefore used, but these measure turnover which differs from GVA for the following reasons:

- (i) A turnover figure will always be greater than a corresponding GVA figure<sup>1</sup>. GVA can vary between 30% and 80% of turnover depending on the industry.
- (ii) There may be some overlap in these estimates with data for other Creative Industries – particularly between Design and Architecture.

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<sup>1</sup> This is because GVA measures the difference between the value of goods and services produced and the cost of raw materials and other inputs used up in production. Turnover measures just the value of sales of goods and services.

## ANNEX C – Sources and References

1. DCMS, *Creative Industries Mapping Document 1998* (1998). [Link](#)
2. DCMS, *Creative Industries Mapping Document 2001* (2001). [Link](#)
3. DCMS Evidence Toolkit [Link](#)
4. Creative Economy Programme [Link](#)  
Creative Economy Programme Evidence Publication 2007 [Link](#)
5. **ONS, Annual Business Inquiry (ABI)**  
The ABI estimates cover all UK businesses registered for VAT and/or PAYE, classified to the 1992 or 2003 Standard Industrial Classification. The ABI contains details on these businesses from the ONS Inter-Departmental Business Register (IDBR). For more information on the ABI see [ONS website - ABI](#)
6. **ONS, Inter-Departmental Business Register (IDBR)**  
The IDBR is the comprehensive list of UK businesses that is used by government for statistical purposes. The IDBR covers businesses in all parts of the economy, other than some very small businesses (self-employed and those without employees and low turnover) and some non-profit making organisations. This therefore affects some Creative Industry sectors, such as Crafts, more than others due to a predominance of small businesses. For more information on the IDBR see [ONS website - IDBR](#)
7. **ONS, Labour Force Survey (LFS)**  
The LFS is a quarterly sample survey of households living at private addresses in Great Britain. Its purpose is to provide information on the UK labour market that can then be used to develop, manage, evaluate and report on labour market policies. For more information on the LFS see [ONS website - LFS](#)
8. **ONS, International Trade in Services**  
The ONS conducts an inquiry into international transactions of companies offering business services. For more information see [ONS website - International Trade](#). The figures used in this bulletin are specially commissioned from ONS by DCMS.
9. **The Business of Design, Design Council** [Link](#)  
This survey was carried out in 2004-05 by the Design Council to provide data on many aspects of the Design industry. The Design Council aims to repeat the survey every three years.
10. **Design Industry Valuation Survey, British Design Innovation**  
This is an annual survey undertaken by British Design Innovation based on over 4,000 BDI registered design agencies. For more information see [BDI website](#)
11. **Antiques Trade Gazette**  
The figure for exports used in this bulletin was produced by the Gazette from analysis of HM Revenue and Customs data and covers only UK exports to non-EU countries.