Comparative Economic Research 10.2478/v10103-009-0024-5

Joanna Wyszkowska–Kuna

International Creative Product Exchange[1]

Abstract

The aim of this paper is to analyze and evaluate international trade in creative products with respect to the position of Poland in this exchange. In the introduction some definitions of creative industries and the concept of creative economy are presented. Then the classification of creative products in international trade and some problems with collecting data relating to international trade in creative products are discussed. In further work an empirical analysis of international trade in creative products is carried out. This work is divided into two parts. The aim of the first part is to indicate main tendencies and key players in international creative products exchange. The aim of the second part is to analyze the position of Poland in this exchange. The empirical analysis is based on the first database and report relating to international creative products exchange, published in 2008 by UNCTAD.

1. Introduction

The concept of "creative industries"[2] has a relatively short history. It first appeared in Australia in 1994 together with the publication of the "Creative Nation" report. In 1997, the Government of the United Kingdom formed the

[1] The term *product* is used in the System of National Accounts (SNA) with respect to both merchandise and services. *Balance of Payments and International Investment Position Manual*, International Monetary Fund, December 2008, p. 218.

[2] Several terms are used when discussing the concept of *creative industries*. They include *creative industry* and *creative sectors*.

Creative Industries Task Force and presented its first report on the importance of creative industries in the British economy in 1998 (*Creative Industries Mapping Document 1998*). In line with the definition found there, creative industries consist of "those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property." They include advertising, the antique market (sales and auctions), architectural services, crafts, design services (not included elsewhere), fashion, film, leisure time software (games, educational programs, and personal computer software), music, the performing arts, publishing, software, television, and radio.

The creative industries are at the center of another, broader concept—the *creative economy*. Such a term was first used by John Hawkins in 2002 in his book entitled *The Creative Economy*[3]. It is the view of Hawkins that creativity is not a new concept, but what is new is the nature and scope of ties between creativity and the economy as well as how they are interlinked so as to generate added value and wealth.

Physical capital was the primary factor in the industrial economy. However, in the creative economy the main production factor has become knowledge and creativity (innovativeness), which means the ability to use knowledge creatively. A characteristic feature of these modern production factors is that they are not used up in the production process, as is the case in physical capital and raw materials. Moreover, in the creative economy the bulk of transactions involves products whose intellectual value exceeds the value of the physical media on which the intellectual value is preserved (written)[4]. In practice this means that the production of successive copies of products—software, movies on DVDs, and music on CDs—costs next to nothing, similarly to their distribution. It is for this reason that what is of importance is the idea (hence the importance of scientific research aimed at producing innovation) and skill in attracting consumer attention (hence the growing significance of marketing and advertising), where sales profits can be enormous—incomparably greater than in the case of the material economy (Bendyk 2005). What is more, companies

---

[3] J. Hawkins, *The Creative Economy*, Pengiun Global, 2002. For more about the creative economy see: R. Florida, *The Rise of the Creative Class*, 2004; A. Kukliński, *Ku kreatywnej Europie XXI wieku* [Towards a creative Europe in the 21st century], WSB–NLU, Warsaw–Nowy Sącz, 2006, p. 5; B. Nussbaum, "Get Creative – How to Build Innovative Companies?" *Business Week*, August 1, 2005.

http://www.businessweek.com/print/ magazine/content/05_31/b3945401.htm?chan=gl.

[4] Each and every transaction may have two mutually supplementary values—the invisible value (i.e. intellectual value) and the physical value of the media or platform where the intellectual value is written.

operating within the creative industries can generate major profits using only a small foundation of assets and workers as a basis[5]. At the same time, demand for many creative products seems to be unlimited. In the case of industrial goods, the rule is that we consume a single product at any one time; its utility value decreases together with its consumption. On the other hand, the consumption of a single creative product may increase the utility value of a successive product (if we like a book by a given author, we want to read another one)[6].

In summary, it may be stated that the potential inherent in the creative economy may prove enormous, significantly greater than the potential in the material economy. The most highly developed societies will be able to move forward to a social model of leisure and recreation. At the same time, the savings in free time may serve creativity that is becoming a basic factor in wealth (Mączyńska 2007, p. 3).

In noting the growing importance and potential in creative industries, international organizations have undertaken actions aimed at introducing relevant changes to international statistics so as to facilitate the collection of comparable data making possible analysis of the importance of creative products in individual economies as well as in international trade[7]. The outcome of these efforts is the first database relating to the share of creative products in international trade published in 2008 by UNCTAD. Data prepared by UNCTAD are not complete (not all countries provide data and the data are not always comparable), but on their basis it is possible to demonstrate certain tendencies in international trading in creative products, the main participants of such exchange, and Poland's place in this exchange.

The objective of this study is an analysis of the importance of international exchange in creative products in modern international relations, indicating the most important tendencies and main participants in the exchange, and an analysis of the importance of Poland in such exchange.

---

[5] P. Coy, "The Creative Economy: Which Companies Will Thrive in the Coming Years? Those that Value Ideas above All Else," *Business Week*, August 28, 2000. Materials accessible at: http://www.businessweek.com/2000/00_35/b3696002.htm.

[6] S. Venturelli, *From the Information Economy to the Creative Economy: Moving Culture to the Center of International Public Policy*, *Cultural Comments Series*, The Center for Arts and Culture, Washington, pp. 7–8. More information available at: www.culturalpolicy.org.

[7] Changes in the statistics of the balance of payments introduced over the last period: *The Sixth Edition of the Balance of Payments Manual*, International Monetary Fund; *Balance of Payments and International Investment Position Manual*, International Monetary Fund, December 2008.

2. Basic Concepts: Definitions

There is no agreement in topical literature as to whether the "creative industries" should be differentiated from "culture industries," or if the concepts may be considered interchangeable in reference to the same sectors of the economy. Although true that the concept of "creative industries" developed over recent years has expanded on the perception of "culture industries" as consisting only of the arts, calling attention to potential commercial activity that, to date, had been viewed as non–economic[8]. However, it seems that the approach whereby "cultural products and services" are treated as a part of a broader category described as "creative products and services."

Pursuant to the UNCTAD definition (*Creative Economy Report 2008,* p. 13), the "creative industries":

- Are a cycle of creation, production, and distribution of goods and services, where the basic input utilizes creativity and intellectual capital,
- Make up a set of activities based on knowledge (concentrated on, but not restricted to the arts) that potentially generate income from trade and intellectual property rights,
- Encompass tangible products as well as intangible intellectual and artistic services with creative content, economic value, and market objectives,
- Lie at the intersection of the arts, services, and industrial sectors, and
- Form a new, dynamic sector in international trade.

The UNCTAD approach to the concept of "creative industries" involves an expansion of the concept of "creativity," previously understood as activity with significant artistic input, to include any economic activity generating symbolic products with the major importance of intellectual property and on a potentially broad market. UNCTAD differentiated between "upstream activities" such as traditional artistic activities, and "downstream activities" that are much closer to the market and include advertising, publishing, and the media. In line with such an approach, the "culture industries" make up a sub–sector of the "creative industries."

[8] See various models attempting to characterize the concepts of "creative industries" in the *Creative Economy Report 2008*, "The Challenge of Assessing the Creative Economy: Towards Informed Policy–making," United Nations, 2008, pp. 12–13.

The creative industries encompass a broad range of mutually related activities. Some of these are derived from traditional know–how and cultural heritage (the arts, crafts, and cultural celebrations), while others are targeted more as services and technology (audiovisuals and related services, and new media).

3. The Classification of Creative Products in International Trade

As has been noted above, there is no single, universally accepted set of creative industries. Individual countries apply diverse definitions to the creative industries and have applied different ways of grouping them. Statistical data presented by UNCTAD (*Creative Economy Report 2008,* pp. 226-231) are based on the definition and classification developed by UNCTAD in collaboration with the ICT secretariat. The starting point for developing this classification was the UNESCO Framework for Cultural Statistics[9].

In the UNCTAD classification, all creative products are subdivided into two groups: (1) "Creative goods," and (2) "Creative services" as well as "royalties and license fees." The first group includes the following items:

1. Design – Fashion, interior, toys, graphic and architecture, and jewelry,
2. Arts and crafts – carpets, yarns, wickerware, celebration articles (e.g. Christmas, holidays, festivals, etc.), paper products, other,
3. Visual arts – Photography, painting, sculpture, antiques, other,
4. Publishing – newspapers, books, other,
5. Music – Recorded laser discs, recorded magnetic cassettes, sheet music, and music–related manuscripts,
6. New media – Media with music or picture recordings, video games, and
7. Audiovisuals – Cinematographic films for sale.

The second group includes the following items:

1. Advertising, marketing research, and public opinion services,
2. Architectural, engineering, and other technical services,
3. Research and development services,
4. Personal, cultural, and recreational services, including audiovisual and related services, other personal, cultural, and recreational services, and

---

[9] Statistics on Cultural Industries: Framework for the Elaboration of National Data Capacity Building Projects, UNESCO, Bangkok, 2007.

5. Royalties and licensing fees[10] – These data are not included in the value of trade in creative services because it is not possible to isolate licensing fees exclusively with respect to the creative industries, but where overall in balance of payment statistics this item is counted as a part of services turnover[11].

Statistics relating to the named service categories encompass much more activity than those tied exclusively with the creative economy by itself. Audiovisual and related services are an exception that is, to a great extent, identified with the creative industries.

Data as published by UNCTAD encompass one more item—i.e. "related industries." "Related industries" involve goods manufactured by industries related to creative activity—i.e. support industries and those manufacturing equipment vital to the production and consumption of creative content. Data involving related industries are not counted together with the value of the creative industries, but they are important from the point of view of analysis of the development of the creative industries because:

- They are completely dependent on creative content (they cannot exist alone without creative content), and
- They are an important tool in analyzing current and future demand for creative goods and services.

Most related industries are tied to industries that are intensely technological and controlled by innovation, which means that their impact is on a research and development level as well as on other creative services. Moreover, technological progress in products ranked as a part of the related industries (television sets, radio receivers, digital equipment such as DVD and MP3 players, etc., and musical instruments) is coupled with the making of creative content and vice versa.

[10] Data on copyrights, which are more closely bound with creative industries, would have been a better source of information in this case. However, in light of the dearth of such data on a world level, the presented information relates to licensing fees, but this is only supplementary information.

[11] This item changed its name to "fees for using intellectual property" in BPM6. See *Balance of Payments and International Investment Position Manual*, op. cit., pp. 445. There is a "patents, copyrights, and licensing fees" item in the Polish balance of payments. It is also ranked among service turnover. See *Bilanse płatniczy RP za poszczególne kwartały* [Balance of payment of the Republic of Poland by quarter], www.nbp.gov.pl.

Data relating to international trade in creative products has been collected on the basis of the 1996 version of the Harmonized System (HS 1996)[12].

4. Problems with Collecting Data Relating to International Trade in Creative Products

The following should be enumerated as being among the most important problems related to the collection of data with respect to international trade in creative products:

1. Not all countries provide data – In 1996 only fifty–seven from among the 192 countries belonging to the United Nations supplied data relating to trade in creative services, where fifty–four provided data on trade in creative services. In 2005 that number increased to ninety in the first case and 131 in the second.
2. Not all countries supply data relating to all categories considered "creative services."
3. The presented categories differ among countries – Not all countries take care in applying the accepted international definitions and guidelines relating to the manner of collecting data—e.g. in supplying data on trade in creative services some countries actually supplied only data for "personal, cultural, and recreational services."

Special attention is tied to the lack of or imperfections of data on more technologically advanced and service oriented creative industries such as music, audiovisuals, and new media. Such data are significantly underestimated and do not reflect changing reality on global photographic, audiovisual, and digital product markets. This is because the present system for classifying data does not reflect the use of information and telecommunication tools in the virtual trade and distribution of creative content. As a result, it is not possible to capture the growing value of trade in digital creative content such as music, film, and books delivered by the Internet and cell phones. Moreover, the present system does not reflect real links and the growing importance of e–business and it does not facilitate the conducting of in–depth analysis on a product–by–product basis. This is due to the insufficient level of data desegregation. Another problem is the

[12] The year 2006 saw the introduction of a newer version of the HS. However, UNCTAD publications used the 1996 version due to the fact that most countries collect data on the basis of HS 1996.

inaccessibility of data relating to copyrights and a gap in data on creative services, coupled with difficulties in collecting data on a global level with respect to marketing and distribution links (box office revenues of motion picture theaters, theaters, concert halls, etc.).

All these data imperfections hide the real dynamics of the creative sectors in international trade and the world economy. However, in spite of defects, the data demonstrate the most important market trends and trade flows as well as indicate the main players on the global market in each group of the creative industries. The analyzed period encompassed the years 1996–2005 in spite of the fact that data are more representative for the 2000–2005 period, because they encompass more countries and were collected in line with improved procedures.

5. An Empirical Analysis of International Trade in Creative Products

Table No. 1 presents data relating to world exports in creative products. It also shows world exports in royalties and licensing fees as well as products considered a part of the related industries. As has already been mentioned earlier, royalties, licensing fees, and related industry products are not ranked as trade in creative products. However, due to their importance to creative industries they are presented as a separate item. As can be seen from the data presented in Table No. 1, the value of creative product exports in 1996 was almost four times higher than the value of export relating to royalties and licensing fees, and slightly greater than the value of exports in related industry products. However, over successive years, the dynamics of creative product exports was lower than that of the remaining categories (Table No. 3), where the highest growth characterized the export of related industry products. Thus, as soon as the year 2000, the export of the products of related industries achieved a value that was higher than the export of creative products—by 13% in 2000 and by 26% in 2005. Exports in royalties and licensing fees noted the lowest value throughout the entire analyzed period, although the distance with respect to the export of creative products gradually decreased. Moreover, It is important to note that in the case of the export of creative products, their relatively low growth, lower than the average for all trade, was only the case for the export of creative goods, where over the years 1996–2005 the export of creative goods grew by 77%, while the export of all goods increased by 94% over the same period. At the same time, the dynamics of export in creative services was high, higher than the average for trade in general—the export of creative services grew by 133%, while the figure for the export of all services was 92%.

In 1996 the share of creative services in the export of all creative products amounted to 16.8% (Table No. 1) and was lower by 2.9 percentage points than the share of services in world export of goods and services—19.8%[13]. In 2000 the share of creative services in the export of creative products increased to a level of 18.6% and was 0.5 percentage points lower than the share of services in world export. The continuation of this tendency over successive years meant that the share of creative services in the export of creative products in 2005 reached a value of 21% and was 1.5 percentage points higher than the share of services in world exports.

Table 1. World exports in creative products, royalties and licensing fees, and related industry products over the years 1996–2005 (presented values are the sum of the exports of the countries providing data)

		1996		2000		2005	
		(mln $)	(%)	(mln $)	(%)	(mln $)	(%)
1.	**All creative products, including:**	227451	100	280865	100	424427	100
1.1.	Creative goods	189214	83.2	228695	81.4	335494	79.0
1.2.	Creative services	38237	16.8	52170	18.6	88933	21.0
2.	**Royalties and licensing fees***	58215	—	78583	—	123842	—
3.	**Related industries**	209143	—	323812	—	575996	—

* This category encompasses all royalties and licensing fees, not only those relating to the creative industries.

Source: *Creative Economy Report 2008*, pp. 238, 295, 313, and 318. Columns 3, 5, and 7 consist of own calculations based as above.

Moreover, it is important to keep in mind that the value of turnover in creative services is underestimated to a significantly greater degree than the value of turnover in creative goods. This is confirmed by the still relatively small number of countries supplying data relating to trade in creative services (Table No. 2). In 1996 the number of countries providing data with respect to trade in creative services was significantly greater than the number of countries providing data on trade in creative goods. However, over the years 1996–2000, the number of countries delivering data regarding trade in creative goods increased almost threefold, while the number of countries providing data on trade in creative services grew by a mere one–half. As a result, in the year 2000, approximately 70% of countries belonging to the United Nations provided data on trade in creative goods, while only approximately 45% of the data involved trade in creative services. Over successive years, the situation did not change in practice.

[13] UNCTAD Handbook of Statistics 2008, http://stats.unctad.org/Handbook/TableViewer/ tableViewer.aspx?ReportID=1902.

What is more, approximately one–third of the countries providing data relating to trade in creative services presented such data only for the "personal, cultural, and recreational services" item. This stems from the fact that in line with SNA 1993, this item should be specified in the balance of payments of each country. However, with respect to the remaining categories of creative services, as a rule less than one–half of the countries presented the relevant data, albeit with a growth tendency in each category. Thus, for example, the share of countries providing data for the "advertising, marketing research, and public opinion services" item increased from 47% to 75%, for the "architectural, engineering, and other technical services" item from 39% to 47%, and for the "research and development services" item from 30% to 43%[14].

In summary, it may be stated that in spite of a significant underestimating of the value of trade in creative services, the export of these services was characterized by a high growth rate, higher than in the case of export of creative goods and higher than the total for services exports[15]. As a result, the export of creative services increased its share in total trade in creative products by 4.2 percentage points, achieving a higher value than total exports of goods and services.

As to the structure by items for international creative goods exports (Table No. 2), products considered a part of the "design" category were decidedly dominant. Their share in the export of creative goods in 1996 amounted to 63% and 65% in 2005—this means almost two–thirds of the export of all creative goods. Such a high share of products in this category is mainly the result of the fact that this category is used to classify the value of final products, not just the value of the design service. The second category of creative goods in terms of size is "publishing." However, its share is falling (a decrease by four percentage points). The next successive item is "arts and crafts" (also a fall in share) and "visual arts" (overall growth, but with a fall over the years 2000–2005). The high, threefold increase in value and the growth in share by almost two percentage points was noted by the successive category—"music." "Music" had a lower share than "new media" in 1996, but as early as in 2000 the share of "music" was slightly greater and over successive years the dynamics of this item was even higher. "New media," for its part, did not change its share, similarly to the category with the lowest share—"audiovisuals." However, it should be

[14] This share is calculated with respect to the number of countries supplying data relating to trade in creative services, not with respect to all 192 United Nations member states.

[15] Both the export of creative good and the export of services is underestimated, but to a lesser extent than the export of creative services. This is due to the larger number of countries supplying data as well as the better quality of available data.

remembered that the value of trade turnover in such items as “music,” “audiovisuals,” and “new media” is highly underestimated. To a great extent this is because current methods for collecting data do not allow for the grasping of the growing value of trade in these products as delivered in digital form through the Internet and cell phones. Furthermore, it seems that the fall in the share of the “publishing” category may be the effect of the growing importance of books and newspapers delivered in digital form, which is not reflected in currently available statistics.

As to the structure of creative services exports (Table No. 2), analysis is hindered in light of the relatively small number of countries delivering data, especially at the start of the analyzed period, as well as due to the fact that a part of the countries only provided data of a single category—i.e. “personal, cultural, and recreational services.” In connection with the above, the share of this category in creative services exports seems to be overestimated. On the other hand, the most underestimated is probably the share of “research and development services.” This is because the smallest number of countries provided data for this category. Nevertheless, in spite of this underestimation, this category decidedly had the greatest share in the export of creative services (34.9%) in 1996. Unfortunately, over successive years, this share was much smaller due to the lack of data from France, which in 1996 was the largest exporter of such services (from among countries providing data), where over one–half of exports in this category were from France. On the basis of available data it is, however, possible to assume that this sector had high growth as, in general, countries providing data noted growth in the value of exports and, in many cases, this growth was high (e.g. Sweden – nineteenfold, Poland – twelvefold, and Finland – tenfold). The share of “architectural, engineering, and other technical services” as well as “personal, cultural, and recreational services” increased over the years 1996–2000, where it should be assumed that this was an outcome of growth (by over one–half) in the number of countries providing data with respect to exports in these categories. Confirmation of this is the fact that over successive years (when the number of countries supplying data increased insignificantly), the shares of these service categories fell. The situation in the case of “advertising, marketing research, and public opinion services” was different. These decreased their share in the first sub–period (when the number of countries increased by almost one–half), while in the second sub–period they increased by eight percentage points (when the number of countries increased insignificantly).

Table 2. Creative product world exports itemized structure over the years 1996–2005

	(mln $)	(%)	(mln $)	(%)	(mln $)	(%)
Creative goods:	**189,214 (55)***	**100**	**228695 (137)**	**100**	**335494 (132)**	**100**
Arts and crafts	14,738	7.8	17707	7.7	23244	6.9
Audiovisuals	355	0.19	374	0.16	664	0.2
Design**	119,706	63.3	146725	64.2	218173	65.0
Music	5,100	2.7	7076	3.1	14924	4.5
New media	6,804	3.6	6936	3.0	12035	3.6
Publishing	32,180	17.0	33376	14.6	44304	13.2
Visual arts	10,331	5.5	16501	7.2	22149	6.6
Creative services:	**38,237 (57)**	**100.0**	**52170 (87)**	**100.0**	**88933 (89)**	**100.0**
Advertising, marketing research, and public opinion services	5,008 (27)	13.1	5117 (43)	9.8	15703 (51)	17.7
Architectural, engineering, and other technical services	9,828 (22)	25.7	17368 (38)	33.3	27722 (42)	31.2
Research and development services	13,336 (17)	34.9	9640 (26)	18.5	17990 (39)	20.2
Personal, cultural, and recreational services	10,064 (52)	26.3	20044 (78)	38.4	27517 (82)	30.9
Audiovisual and related services	6,327 (28)	—	13214 (48)	—	17518 (48)	—

* The figures in parentheses represent the number of countries providing data over individual years. With respect to creative services, it is also possible to indicate the number of countries providing data for individual categories on creative services trade. Overall, the number of countries that as members of the United Nations should provide data is 192. ** This category represents the value of final products, not the value of the design services themselves, excluding industrial design and architectural services.

Source: *Creative Economy Report 2008*, op. cit., pp. 244–246 and 297–312, columns 3, 5, and 7, with own calculations on the basis as above.

Table 3. Export growth in creative products, royalties and licensing fees, and related industry products over the years 1996–2005

	2000/1996	2005/2000	2005/1996
All creative products	**123.5**	**151.1**	**186.6**
Creative goods:	**120.9**	**146.7**	**177.3**
Arts and crafts	120.1	131.3	157.7
Audiovisuals	105.4	177.5	187.0
Design	122.6	148.7	182.3
Music	138.7	210.9	292.6
New media	101.9	173.5	176.9
Publishing	103.7	132.7	137.7
Visual arts	159.7	134.2	214.4
Creative services:	**136.4**	**170.5**	**232.6**
Advertising, marketing research, and public opinion services	102.2	306.9	313.6
Architectural, engineering, and other technical services	176.7	159.6	282.1
Research and development services	72.3	186.6	134.9
Personal, cultural, and recreational services	199.2	137.3	273.4
Audiovisual and related services	208.9	132.6	276.9
Royalties and licensing fees	**135.0**	**157.6**	**212.7**
Related industries	**154.8**	**177.9**	**275.4**

Source: Own calculations on the basis of *Creative Economy Report 2008*, op. cit., pages as in Tables No. 1 and No. 2.

Table No. 3 presents the dynamics of exports in creative products, royalties, and products considered a part of the related industries. Growth was calculated for the entire analyzed period (the years 1996–2005) as well as broken down into sub–periods (the years 1996–2000 and 2000–2005). The entire analyzed period encompasses nine years, which in practice means that the first sub–period encompasses four year while the second one is five years long. It is for this reason that the dynamics of these two sub–periods are not fully comparable. Nevertheless, subdivision into the two sub–periods is justified for another reason. There was a significant increase in the number of countries supplying the data analyzed here, while over the years 2000–2005 the number of countries providing data was almost unchanged (in the first case it fell by five countries, while in the second it increased by two). It is for this reason that it may be stated that it is only over the years 2000–2005 that it is possible to indicate the real dynamics of export, bypassing the impact of changes in the number of countries providing data.

However, an interesting phenomenon may be noted in analyzing export growth in the specified sub–periods. In spite of the fact that the number of countries supplying data increased over the first sub–period, export growth was decidedly greater in the second sub–period. There may be several reasons for this:

1. Growth in the number of countries providing data had no significant impact on the quantity of services exports, which in its turn would indicate that the most important exporters of creative products usually supplied data over the entire analyzed period.
2. Export growth in the second sub–period was generally decidedly higher than in the first.
3. The quality of collected data improved over the second sub–period—i.e. in their statistics, countries captured a greater number of transactions related to turnover in creative products.

Table No. 4 presents the ten main exporters of creative goods and services as well as Poland's place in the world of creative product exports. These data do not show the complete ranking of the most important exporters in light of the fact that not all countries supply data (see Table No. 2). Moreover, not all countries classify data in the same way, especially trade in services, which was discussed earlier. The ranking only covers the year 2005 because there were relatively few countries providing data in 1996.

As can be seen in the data presented in Table No. 4, countries leading world exports in creative products are also in the group of leading goods and services exporters. Japan is an exception. As one of the world's major goods exporters (fourth place in 2005) and services (fifth place), it was only thirteenth in the export of creative goods (data are incomplete for creative services exports). Another exception is Brazil. In the year 2005 it occupied tenth place in the export of creative services, while in total goods exports it was outside the first twenty and filled thirty–fourth place in world services exports—two positions lower than Poland[16].

[16] *UNCTAD Handbook of Statistics 2008*, http://stats.unctad.org/Handbook/TableViewer/ tableViewer.aspx?ReportID=1902.

Table 4. Main creative goods and services exporters in 2005

Creative Goods: Main Exporters			Creative Services: Main Exporters		
Country	Export in millions $	Share in Total Exports in %*	Country	Export in millions $	Share in Total Exports in %**
1. China	61,360	18.3	1. Germany	20,624	23.2
2. Italy	28,008	8.4	2. Canada	7,800	8.8
3. China (Hong Kong)	27,677	8.3	3. U.S.A.	7,060	7.9
4. U.S.A.	25,544	7.6	4. Belgium	5,984	6.7
5. Germany	24,763	7.4	5. Spain	5,745	6.5
6. Great Britain	19,030	5.7	6. Italy	5,432	6.1
7. France	17,706	5.3	7. Sweden	4,476	5.0
8. Canada	11,377	3.4	8. Great Britain	3,583	4.0
9. Belgium	9,343	2.8	9. Russia	3,384	3.8
10. Spain	9,138	2.7	10. Brazil	2,960	3.3
19. Poland	4,215	1.3	18. Poland	1,044	1.2
UE (27)	145,056	43.2	UE (25)***	56,940	70.8

* Share of the given country in world export of creative goods.

** Share of the given country in world export of creative services. Data for the United State and Great Britain are incomplete because they only encompass "personal, cultural, and recreational services."

*** No data for Denmark and Slovakia.

Source: *Creative Economy Report 2008*, op. cit., pp. 238–243 and 295–298, columns 3 and 6, own calculations on the basis as abo.

As was the case in total trade turnover, most countries leading world exports in creative goods are also leaders in world export of creative services (but in a different order). The Primary exception is China. In 2005 it was the largest exporter of creative goods, with a significant lead over second place Italy. However, it found itself outside the top ten in the export of creative services. Moreover, Hong Kong and France were countries that were only in the top ten in creative goods exports, while Sweden, Brazil, and Russia were only in the top ten of creative services exporters. China was decidedly dominant in the export of creative goods. Its share in world creative goods exports was ten percentage points higher than the share of second place Italy. However, in share of creative services, Germany was dominant. Its lead was even greater as its share in the export of creative services was 12.4 percentage points greater than the share of second place Canada. However, it should be remembered that the total value of creative services exports is underestimated to a greater extent. Moreover, it should be noted that the positions of the United States and Great Britain would undoubtedly have been higher if those countries had supplied data on the whole of creative services export, not just the export of "personal, cultural, and recreational services." Bearing in mind the share of the European Union in total creative products exports, what is visible is a very significant dominance of creative services exports from the European Union countries (over two–thirds of exports are the product of the twenty–five European Union countries), although this is probably, in part, a result of the effects of the significant underestimating of the value of trade in creative services. In comparison, the share of the EU (27) in the year 2005 in world goods exports amounted to 38.9% with 46.3% in world services exports[17]. Poland occupies nineteenth place in world exports of creative goods and eighteenth in world creative services exports. In the first case, this means a move up by three positions (as compared with 1996), with three times as many countries providing data. In the second case, it is more difficult to demonstrate if the situation of Poland has improved in light of the fact that in 2005 it was still less than one–half of all countries that supplied data and approximately one–third of the countries providing data presented data that was incomplete (where this problem also included countries that lead in world exports such as the United States and Great Britain). For comparison, in 2005 in world exports in goods Poland occupied thirty–second place, similarly to world exports in services.

6. International Creative Product Trading: Poland

In analyzing data presented in Table No. 5, it may be noted that the greatest value achieved by Poland in the export of creative goods was in 1996 when it exceeded the export of related industry goods by a factor of 4.5. However, over successive years this advantage decreased significantly to reach a factor of 1.6 in the year 2005. The highest rate of growth in the export of products from the related industries is in line with world tendencies as these are high technology industries. However, in the case of Poland, the value of exports in this category was lower than the value of creative goods exports over the whole of the analyzed period. This was in contrast to the case of total turnover[18], where the value of exports from related industries was higher than the value of exports of creative goods (by 10% in 1996 and by 70% in 2005). On the other

---

[17] *UNCTAD Handbook of Statistics 2008*, http://stats.unctad.org/Handbook/TableViewer/tableViewer.aspx?ReportID=1902.

[18] The term *total turnover* refers to the sum of turnover for countries providing the relevant data.

hand, related industry products filled the highest value spot in Polish imports. In 1996 the value of imported creative goods was still higher, but by 2005 the imports of products from the related industries were already almost two times higher. The lowest value in the case of both exports and imports was noted in the case of royalties and licensing fees. The value of exports by virtue of royalties and licensing fees was ten times lower in 1996 than the value of creative product exports. The figure for 2005 was seventeen. On the other hand, the value of imports by virtue of royalties and licensing fees was over two times lower in 1996 than the value of imported creative services, where both values became almost equal in 2005. In the case of Poland, what is visible is a very low value for exports by virtue of royalties and licensing fees. This is because in 2005 the total value of exports by virtue of royalties and licensing fees was 40% higher than the total value for exports in creative services (Table No. 1)[19].

As can be seen from the data presented in Table No. 7, the greatest growth in export over the years 1996–2005 was a characteristic of the export of products from the related industries (even growth over both sub–periods ultimately becoming a sevenfold increase, while export of all goods increased by a factor of 3.7 and the export of creative goods increased by a factor of 2.6). On the side of imports, the greatest growth was noted in imports by virtue of royalties and licensing fees (significantly higher growth in the first sub–period, but also a total growth of over sevenfold, where the import of services increased 2.3 times and the import of creative services 3.3 times). As to the dynamics of creative products, it was higher in the case of turnover in creative products than in the case of turnover in creative goods. Over the analyzed period the export of creative services grew 4.4 times while import increased 3.3 times. Creative goods exports grew 2.6 times and imports 1.8 times. In both cases the growth dynamics of exports were higher than those of imports. Moreover, growth was generally higher over the years 2000–2005 than the years 1996–2000. This is especially visible in the case of the export of creative services, which the first sub–period noted a fall in value and a fivefold increase in the second sub–period.

[19] The value of exports by virtue of royalties and licensing fees is referred to the export of services because in statistics covering balance of payments, this category is one of the items of the service turnover balance sheet.

Table 5. Turnover in trade in creative goods and services, royalties and licensing fees, and related industry products against a backdrop of turnover in goods and services over the years 1996–2005 in Poland

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Creative Goods (million $)										
Exports	1602	1908	1885	1759	1984	2093	2374	3101	3827	4215
Imports	1216	1357	1508	1445	1423	1418	1520	1621	1955	2179
Balance	386	551	377	314	561	675	854	1480	1872	2036
Creative Services (million $)										
Exports	239	257	272	198	209	281	312	350	669	1044
Imports	337	347	387	498	606	577	782	831	917	1107
Balance	-98	-90	-115	-300	-397	-296	-470	-481	-248	-63
Royalties and Licensing Fees (million $)										
Exports	24	27	22	25	34	48	34	28	30	61
Imports	144	175	195	491	555	508	557	745	883	1036
Balance	-120	-148	-173	-466	-521	-460	-523	-717	-853	-975
Related Industries (million $)										
Exports	357	625	867	853	983	1298	1447	1679	2106	2592
Imports	1110	1518	1937	1991	2173	1948	1959	2301	3002	4086
Balance	-753	-893	-1070	-1138	-1190	-650	-512	-622	-896	-1494
Total Goods (million $)										
Exports	24400	25751	27191	27397	31651	36092	41010	53537	75008	89561
Imports	37137	42308	46495	45903	48940	50113	55113	68004	89654	101782
Balance	-12737	-16557	-19304	-18506	-17289	-14183	-14103	-14467	-14646	-12221
Total Services (million $)										
Exports	9747	8915	10840	8363	10398	9753	10037	11174	13471	16258
Imports	6343	5743	6624	6982	8993	9186	10647	12457	12457	14312
Balance	3404	3172	4216	1381	1405	787	851	527	1014	1946

Source: *Creative Economy Report 2008*, op. cit., pages as in Table No. 1, rows 18–21: *UNCTAD Handbook of Statistics 2008*,

http://stats.unctad.org/Handbook/TableViewer/tableViewer.aspx? ReportID=1902.

Table 6. Share of turnover in creative products, royalties and licensing fees, and related industry products in total turnover in goods and services (as %)

1996	2000	2005	1996	2000	2005
Creative Goods Export / Goods Export			Creative Goods Import / Goods Import		
6.6	6.3	4.7	3.2	2.9	2.1
Related Industry Goods Export / Goods Export			Related Industry Goods Import / Goods Import		
1.5	3.1	2.9	3.0	4.4	4.0
Creative Services Export / Services Export			Creative Services Import / Services Import		
2.5	2.0	6.4	5.3	6.7	7.7
Royalties and Licensing Fees Export / Services Export			Royalties and Licensing Fees Import / Services Import		
0.2	0.3	0.4	2.3	6.2	7.2

Source: Own calculations on the basis of Table No. 5.

Table 7. Creative goods and services turnover growth against a backdrop of all goods and services turnover in the years 1996–2005

2000/ 1996	2005/ 2000	2005/ 1996	2000/ 1996	2005/ 2000	2005/ 1996	2000/ 1996	2005/ 2000	2005/ 1996
Creative Goods Export			Creative Goods Import			Balance (positive)		
123.8	212.4	263.1	117.0	152.1	179.2	145.3	362.9	527.5
Creative Services Export			Creative Services Import			Balance (negative)		
87.4	500.0	436.8	179.8	182.7	382.5	405.1	15.9	64.3
Royalties and Licensing Fees Export			Royalties and Licensing Fees Import			Balance (negative)		
141.7	179.4	254.2	385.4	186.7	719.4	434.2	187.1	812.5
Related Industry Product Export			Related Industry Product Import			Balance (negative)		
275.4	263.7	726.0	195.8	188.0	371.5	158.0	125.5	198.4
Total Goods Export			Total Goods Import			Balance (negative)		
129.7	283.0	367.1	131.8	208.0	274.1	135.7	70.7	95.9
Total Services Export			Total Services Import			Balance (positive)		
106.7	156.4	166.8	141.8	159.1	225.6	41.3	138.5	57.2

Source: Own calculations on the basis of Table No. 5.

Poland noted a positive balance in creative goods trade over the whole of the analyzed period (Table No. 5). There was a growth tendency from 1999, with the greatest growth in positive balance in 1999 (by 79%) and in 2003 (by 73%). Overall, the years 1996–2005 witnessed a positive creative goods turnover balance that increased by a factor of five. By comparison, the total turnover in goods was negative over the entire analyzed period (in 2005 it was on a level similar to that of 1996). In the case of trade in creative services, the turnover balance was negative throughout the entire analyzed period, where it was lower than the positive balance in trade in creative goods. The growth of the negative balance is visible as of 1997 and it is almost twofold in 1999. There was a decided reversal of this tendency in 2004 when the negative balance decreased by almost one–half, while the year 2005 saw a fourfold fall in the negative balance so that it achieved its lowest value over the entire analyzed period (one–third lower than in 1996). By comparison, the balance of total services turnover was positive (in 2005 it was 43% lower than in 1996). Over the whole of the analyzed period, the turnover balance by virtue of royalties and licensing fees as well as related industry products was negative, where the tendency was growing in both cases—eightfold in the first case and twofold in the second.

Creative goods export and import dynamics was lower than the export and import dynamics for total goods over the years 1996–2005 (Table No. 7). As a result, the share of creative goods in total goods turnover demonstrated a falling tendency (Table No. 6). Moreover, the share of creative goods in total turnover was higher than on the side of exports. With respect to creative services, the situation was the opposite—i.e. a fall in the share of creative services in total services turnover and a higher share of creative services on the side of imports. As a result, the share of creative services exports in total services export achieved a higher value in 2005 than the share of creative goods exports in total goods export. The import of creative services accounted for a greater percentage of total services imports than the import of creative goods throughout the entire analyzed period. In 2005 the share of creative goods export in total goods export in Poland was 4.7%, while in the case of major creative goods exporters this figure achieved a value of 8.1% (China), 7.5% (Italy), and 9.6% (Hong Kong). The share of creative services export in total services export for Poland amounted to 6.4%, where in the case of the major exporters of creative services it amounted to 13.2% (Germany), 14.5% (Canada), and 10.7% (Belgium).

There is a lack of more detailed data on the trading turnover of individual countries, including Poland, by the specified creative goods categories. The UNCTAD Report only presents the ranking of the ten biggest exporters (from among the 134 countries providing data) in the specific categories. This ranking shows that in 2005 Poland was among world leading exporters in five categories:

- Ninth place in the export of wickerware – export value $30 million, 1.8% share in world exports,
- Ninth place in the export of goods in the “other arts and crafts” category – export value $302 million, 3.2% share in world exports,

- Eighth place in the export of goods in the “design – interiors” category – export value $2,207 million, 3.3% share in world exports,
- Seventh place in the export of glassware – export value $278 million, 4.6% share in world exports, and
- Tenth place in the export of goods in the “painting” category – export value $24 million, 2.5% share in world exports.

As to turnover in creative services, detailed data are available for specific countries specifying the value of turnover in individual categories. The data are presented in Table No. 8.

Over the years 1996–2005 export in creative services grew by a factor of 4.4. Import, for its part, increased 3.3 times. “Architectural, engineering, and other technical services” were dominant in the export and import of creative services. They accounted for approximately one–half of export and over one–half of import. Second place in export was occupied by “advertising, marketing research, and public opinion services” interchangeably with “personal, cultural, and recreational services.” However, starting with 2003, “advertising, marketing research, and public opinion services” noted significant growth (previously, growth periods were interspersed with falls) and decidedly occupied the second position, even reaching first place in 2005. Overall, these services noted an elevenfold increase in exports and 3.7 time growth in imports over the years 1996–2005. For their part, “personal, cultural, and recreational services” fell to fourth place. This was because of “research and development services,” which increased the value of their turnover throughout almost the whole of the analyzed period, where as of the year 2004 their growth was much higher. As a result, over the years 1996–2005 the export of “research and development services” increased twelvefold (sixfold in terms of imports) and these services increased their share in the export of creative services from 5.9% in 1996 to 16.1% in 2005. In imports, second place was taken by “personal, cultural, and recreational services,” while third was taken by “advertising, marketing research, and public opinion services.” As of 2005 the order was reversed.

Table 8. Turnover in creative services in Poland over the years 1996–2005

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Advertising, marketing research, and public opinion services										
Exports	38	58	56	29	45	57	37	104	235	411
Imports	55	55	58	93	111	103	100	146	141	205
Balance	-17	3	-2	-64	-66	-46	-63	-42	94	206
Architectural, engineering, and other technical services										
Exports	151	136	107	85	94	109	176	150	246	371
Imports	219	219	239	265	327	287	464	476	564	665
Balance	-77	-83	-132	-180	-233	-178	-288	-326	-318	-294
Research and development services										
Exports	14	15	17	24	20	28	38	38	97	168
Imports	13	16	24	39	29	67	63	61	81	80
Balance	1	-1	-7	-15	-9	-39	-25	-23	16	88
Personal, cultural, and recreational services										
Exports	36	48	92	60	50	67	61	58	91	94
Imports	41	57	66	101	139	120	155	128	131	157
Balance	-5	-9	26	-41	-89	-53	-94	-70	-40	-63

Source: *Creative Economy Report 2008*, op. cit., pp. 298–312.

By the year 2004, the balance of all categories considered as creative services was usually negative, while as of 2004 "advertising, marketing research, and public opinion services" as well as "research and development services" noted a positive balance (where the positive balance in the first category was significantly greater). The positive balance in "research and development services" saw growth by a factor of 5.5 over the years 2004–2005, while the balance for "advertising, marketing research, and public opinion services" grew twofold.

7. Concluding remarks

The following conclusions flow from the analysis of data on international trade in creative products:

1. In total turnover, the greatest growth was seen in the export of products from the related industries, followed by the export of creative services and exports by virtue of royalties and licensing fees. In the year 2005 the highest value was achieved in the export of related industry products followed by the export of creative services and exports by virtue of royalties and licensing fees, where the last item is the most underestimated because the fewest

countries provide data and a significant part of payments by virtue of royalties and licensing fees is not found in the balance of payments.

2. The highest growth in the group of creative services was noted in “research and development services,” in spite of the fact that they were underestimated to the greatest extent. Also underestimated to a very large extent were data relating to turnover in creative products delivered in electronic form (through the Internet and cell phones—e.g. audiovisuals, new media, music, and publishing).
3. Overall, the leading exporters of goods and services were also the leading exporters of services, mainly the highly–developed countries. Exceptions are Japan (a leading exporter of goods and services, but outside the top ten in the export of creative products) and Brazil (tenth in the export of creative services, but thirty–fourth in world services export). It should also be stressed that many developing countries may be characterized by high growth in turnover in creative products.
4. Poland’s position in world exports of creative goods and services (eighteenth and nineteenth) was higher than in the case of world exports of goods and services (thirty–second). However, it should be remembered that in the case of creative products, especially when discussing creative services, the ranking does not encompass all countries as not all countries provide data. On the other hand, in the case of creative goods, it seems that the ranking is rather accurate as the number of countries not providing data is significantly smaller and these are usually poorly–developed countries.
5. As to the export of creative goods, Poland is in the top ten in several categories, but these are traditional categories tied with arts and crafts, not the more modern, dynamically developing ones.
6. The dynamics of turnover in creative products was higher in Poland than the dynamics of total trade turnover in both the case of goods and services. However, the share of the export of creative goods in total goods export (4.7%) as well as the export of creative services in total services export (6.4%), in spite of a growth tendency, was several percentage points lower in Poland than in the case of leading exporters of creative goods and services.
7. The export of creative services saw a greater growth dynamic that the export of creative goods as well as greater growth than the export of total services in spite of the fact that it is underestimated to a greater extent. It should be stressed that up to the year 2003 there was slow growth in the export of creative services (and even a fall in 1999). However, in 2004 there was a twofold increase and an increase by 56% in 2005. Thus, it may be stated that Poland’s accession to the European Union influenced the significant growth in the export of creative services. A similar tendency was

observed with respect to total turnover in services[20]. However, accession had no impact on the rate of growth of creative services imports.

8. Poland achieved a positive balance in trade in creative goods (with an overall negative balance for total goods). The balance was negative in trade in creative services (with an overall positive balance for total services), albeit clearly decreasing as of the moment of Poland's accession to the European Union. Poland noted a high and rapidly growing balance of turnover in "related industries" and "royalties and licensing fees" (where in the first case there was a twofold increase in the negative balance and an eightfold one in the second case).
9. Poland's accession to the European Union had a positive impact on trade in creative services, where as of 2004 there was a decided turnaround of earlier tendencies of a deepening deficit in trade in creative services. In the year 2004 the negative balance decreased by almost one–half and fourfold in 2005 (as a result, it was one–third lower in 2005 than in 1996).
10. Overall, Poland's share in "related industry products" (technologically advanced industries, such as television sets, DVD and MP3 players, computers, etc.) is relatively very low as is also the case in "royalties and licensing fees." Unfortunately, this may lead to the conclusion that Poland is not on the road to a creative economy where what is observed is growth in share in the export of technologically advanced products as well as a growth in revenues by virtue of royalties and licensing fees. These are the categories that indicate just how creative a given economy is—i.e. how many new ideas find their reflection in new products brought to the market. These new products are not only the source of growing revenues by virtue of the exports, but also spawn additional revenues in the form of royalties and licensing fees. Unfortunately, Poland is demonstrating a negative and quickly growing balance of turnover in both these categories. This is especially clear in the case of royalties and licensing fees. However, a positive tendency is the high growth of export of "research and development services," especially as of 2004—the moment of Poland's accession to the European Union.

[20] J. Wyszkowska–Kuna, "Activity of Polish Service Providers after Poland's Accession to the European Union," *Comparative Economic Research: Central and Eastern Union*, vol. 10, no. 3/2007, Łódź University Press, pp. 25–48. J. Wyszkowska–Kuna, "Specjalizacja eksportowa Polski w handlu usługami po akcesji do Unii Europejskiej", *Gospodarka w praktyce i teorii*, no. 3(23)2008, Institute of Economy of the University of Łódź, pp 31–48.

References

Balance of Payments and International Investment Position Manual, International Monetary Fund, December 2008

Bendyk E., *Dlaczego nie ma pracy? – Aktywni i … dezaktywowani*, Polityka, no. 17/2005

Bilans płatniczy RP za poszczególne kwartały [Balance of payment of the Republic of Poland by quarter], www.nbp.gov.pl

Coy P., *The Creative Economy: Which Companies Will Thrive in the Coming Years? Those that Value Ideas above All Else*, Business Week on line, August 28, 2000. Materials available at http://www.businessweek.com/2000/00_35/b3696002.htm

Creative Economy Report 2008 – The Challenge of Assessing the Creative Economy: towards Informed Policy–making, United Nations. 2008

Creative Industries Mapping Document 1998, UK Department for Culture, Media, and Sport, 1998

Florida R. (2004),*The Rise of the Creative Clas*s

Howkins J.(2002), *The Creative Economy*, Penguin Global

Kukliński A., *Ku kreatywnej Europie XXI wieku*, WSB–NLU, Warsaw–Nowy Sącz, 2006

Mączyńska E.(2007), *Gospodarka przełomu. Wyzwania dla ekonomistów*, Polskie Towarzystwo Ekonomiczne, Opole

Nussbaum B., Get Creative: How to Build Innovative Companies? Business Week, August 1, 2005, http://www.businessweek.com/print/magazine/content/ 05_31/b3945401.htm?chan=gl

Statistics on Cultural Industries: Framework for Elaboration of National Data Capacity Building Projects, UNESCO, Bangkok, 2007

The Sixth Edition of the Balance of Payments Manual, International Monetary Fund

UNCTAD Handbook of Statistics 2008,

http://stats.unctad.org/Handbook/ TableViewer/tableViewer.aspx?ReportID=1902

Venturelli S., *From the Information Economy to the Creative Economy: Moving Culture to the Center of International Public Policy*” Cultural Comments Series, The Center for Arts and Culture, Washington, pp. 7–8. More information is available at www.culturalpolicy.org.

Wyszkowska–Kuna J., *Activity of Polish Service Providers after Poland's Accession to the European Union,* Comparative Economic Research: Central and Eastern Union, vol. 10, no. 3/2007, Łódź University Press

Wyszkowska–Kuna J.*, Specjalizacja eksportowa Polski w handlu usługami po akcesji do Unii Europejskiej*, Gospodarka w praktyce i teorii, no. 3(23)2008, Institute of Economy of the University of Łódź

Streszczenie

MIĘDZYNARODOWA WYMIANA PRODUKTAMI KREATYWNYMI

Celem publikacji jest analiza międzynarodowego handlu produktami kreatywnymi, ze szczególnym uwzględnieniem pozycji Polski w tej wymianie. Na początku przedstawione są definicje kreatywnych produktów/ przemysłów oraz koncepcja gospodarki kreatywnej. Następnie omówiona jest klasyfikacja produktów kreatywnych w statystykach handlu międzynarodowego oraz problemy związane ze zbieraniem danych dotyczących międzynarodowego handlu produktami kreatywnymi. W dalszej pracy przeprowadzona jest analiza empiryczna międzynarodowej wymiany produktami kreatywnymi. Ta część pracy podzielona została na dwie części. Celem pierwszej części jest wskazanie głównych tendencji oraz najważniejszych uczestników międzynarodowej wymiany produktami kreatywnymi. Natomiast celem drugiej części jest analiza pozycji Polski w tej wymianie. Analiza empiryczna oparta jest na pierwszej bazie danych oraz raporcie dotyczących międzynarodowej wymiany produktami kreatywnymi, opublikowanych w 2008 roku przez UNCTAD.