Europe's Creative Hubs
Update 2018

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Contents

Europe's Creative Hubs Update 2018

Overview

France, Germany and the UK are Europe's three largest hubs for the creative industries (CI). A "creative hub" is a large and diversified market for the products of the CI encompassing:

- Millions of consumers enjoying films, TV programmes, videos, news, books, magazines, music and games, often without directly paying for them, such as advertising-supported online news services, free-to-air (FTA) television and over-the-top (OTT) video services
- Thousands of enterprises with millions of employees and freelancers, engaged in: publishing, printing and distributing books, newspapers and magazines, broadcasting, producing music and audiovisual (AV) works and associated retailing, and supplying professional and technical services

There is no common definition of the creative industries in Europe. The definition used in this report engages only enterprises with a commercial purpose, leaving aside the many enterprises that enjoy not-for-profit status as charities, and also public sector entities. Interactions between the public and commercial side of the creative sector are an important driver of activity. Furthermore, only games software is included in the CI. By contrast, the UK and Germany have expansively defined their creative industries to include all of software programming, explaining the discrepancy between the figures advanced in this report and national sources.

The CI span enterprises with a cultural purpose, such as book publishing, and those with a more prosaic commercial purpose, such as the music and audiovisual production, advertising, and games software segments. This approach highlights the salient characteristic of the creative industries: the spark of an idea may be at the heart of a creative work, but the production and distribution of such works requires a large diversity of roles and skills, spanning creative, production, financial and distribution roles. A feature of the sector is the numerous small and medium-sized enterprises (SMEs), which may compensate for lack of scale and/or competences by locating in a cluster, often found in knowledge-intensive sectors.

Using Eurostat's SBS Database to measure the significance of commercial activity, the combined Gross Value Added (GVA) generated by Europe's "big three" creative hubs of France, Germany and the UK, was an estimated €161 billion of in 2015, 4.1% of non-financial GVA of €3,890 billion. This value was produced by 453,000 employing enterprises and their 2.15 million staff. These data do not count the contribution of thousands of sole traders and freelancers, both a salient feature of the supply chains of CI clusters. Performing arts activities are not reported.

Creative industries are growing at a rate of 25% in terms of gross value added (2010-2015)

France	Germany	UK
2015 Gross value added **€32 billion**	2015 Gross value added **€52 billion**	2015 Gross value added **€76 billion**
↘	↗	↗
2010 Gross value added **€34 billion**	2010 Gross value added **€46 billion**	2010 Gross value added **€48 billion**

[Source: Eurostat SBS]

Our summary metrics for 2015 reveal:

- The UK was the leading creative hub in Europe in 2015, with an estimated GVA of €76 billion generated from the activities of 118,000 employers of approximately 725,000 people; officially, the more expansively defined UK's "creative industries" generated £88 billion of GVA in 2015 and occupied 1.9 million people directly, excluding distribution
- Germany's CI generated €52 billion of GVA, accounting for 3.3% of the non-financial economy, via the activity of 157,000 businesses employing over 947,000 people; including sole traders and freelancers, the expansively defined "cultural and creative industries" (CCI) generated an estimated €100 billion in GVA in 2016, from the activity of 253,200 enterprises employing 1.1 million people[1]
- France's CI delivered GVA of €32 billion, equivalent to 3.5% of the non-financial economy, through the activity of 178,000 companies employing 478,000 people; the last official account reported €44.5 billion in GVA for the cultural industries for 2015,[2] and France Créative reported 1.25 million people in 2013 directly engaged in the activities of creation, production and distribution of cultural and creative products across the territory[3]

On a per capita basis, the UK is even further ahead of the other two: an estimated €1,164 in GVA per head in 2015, compared to €641 and €501 per head in Germany and France respectively. One reason is that UK domestic consumer expenditure on recreational and cultural services (including pay-TV, TV licence and video subscription fees) is the highest, at €774 per head in 2015. Other reasons for the relatively larger supply-side of the UK include the strength of exports of English-language AV and advertising products, and the UK's earlier recovery from the 2008-09 recession.

Performance of CI clusters, 2015

	France		Germany		UK	
Cluster	GVA (€m)	No of enterprises	GVA (€m)	No of enterprises	GVA (€m)	No of enterprises
Print media	9,707*	38,347	18,343	27,724	21,715	25,025
Audiovisual	10,805	24,338	13,906	11,592	19,941	26,204
Advertising	6,144	23,567	9,326	31,829	20,607	19,125
Other	5,628	91,767	10,779	86,276	13,804	47,776
Creative industries	**32,283**	**178,019**	**52,353**	**157,421**	**76,067**	**118,130**
% of non-financial economy	3.5%	6.1%	3.3%	6.5%	5.4%	6.1%

*One component has been extrapolated
[Source: Eurostat SBS]

This relatively robust trend in the UK highlights the risks of Brexit to the CI. Since the UK's vote to leave the EU, the economy has softened, putting pressure on advertiser budgets and expenditure on media. Enterprises are holding back on investment decisions due to uncertainty. Exports of the AV cluster to the EU amounted to £4 billion in 2016 (46% of total UK AV exports)[4] and are exposed to the UK's exit from the Single Market for AV media services. Furthermore, when free movement ends, it will be much more challenging for UK enterprises to attract creative talent from EU countries.

The combined GVA of the three creative hubs of €161 billion in 2015 was 25% higher than the level of €128 billion achieved in 2010 (CAGR of 4.6%). In terms of GVA:

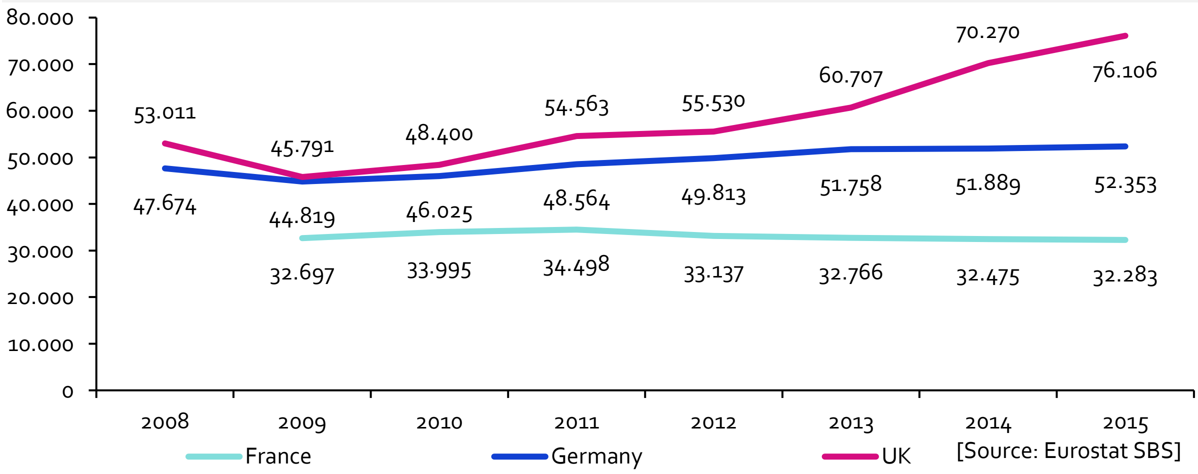
- In the UK, the CI grew 57% over 2010-15, broadly outpacing the non-financial economy as a whole. The UK has chiefly ridden a TV and online advertising wave, as well as strong AV sector, a successful exporter of TV programmes to Europe and the United States
- In Germany, the CI grew 14% over 2010-15, in line with the wider economy, a little slower in 2016 and 2017. The CI as a whole have been held back by mounting pains in print media and by stagnation in the advertising sector, despite moderate growth in AV and dynamic growth in high-value activities such as games software
- France's CI shrank by 5% over 2010-15, slower than the economy, as advertising and thus the AV cluster were held back by a stagnant economy, particularly in 2012, amidst ongoing pressure on print media. An area of growth is games software publishing

Creative industries generate €161 billion in gross value added and jobs for 2.2 million people in France, Germany and the UK in 2015

[Source: Eurostat SBS]

Only the UK is a significant exporter of products of the CI, thanks mainly to works being in the English language, for which there is a large international market. In France and Germany, the CI mainly serve domestic users and customers (apart from the games software industry). The state of the domestic economy is thus the primary differentiator of growth over 2010-15.

Creative Industries GVA, 2008-15 (€m, 2015 fx)



[Source: Eurostat SBS]

Looking to the future

Leaving aside the UK's specific risks from Brexit, the creative industries of France, Germany and the UK face common challenges in the digital age from new consumer behaviours and the advent of new competitors and new forms of competition for users and customers. As the digital age advances, it is no longer fanciful for publishers to envisage an absolute decline in the volume of original content brought to market, menacing the tissue of enterprises, creators, workers and freelancers that are the core value producers of the CI.

Consumers have switched from physical to digital format for their consumption of news and music, and have reduced, in real terms, expenditure on media. More generally, most people have switched attention to online services for news, on-demand music and video, and digital native applications like online games and social media. Widespread adoption of smartphones, tablets and high-speed mobile and fixed-line broadband packages have delivered a digitally attuned customer base to all suppliers of goods and services.

This switch to digital by consumers has inevitably been detrimental to traditional media, despite the rise of multi-tasking. Publishers and retailers of music, video, news and magazines have been hit harder by these consumer trends than the book, AV and games segments. As points of sale for media close, so does the potential for serendipitous discovery. There is some compensation to recording artists from consumers switching expenditure to "experiences" such as live music events.

For news and magazine publishers, the switch of eyeballs to online has disrupted the flow of funds imperilling their survival. Print circulation and advertising revenues are in decline. Printing, advertising sales and back-office functions are encountering diseconomies of scale, compelling consolidation. Online, the competition for user attention is far more intense than in the offline world.

The display advertising paradigm for companies has fundamentally changed due to the advent of the social media platform, Facebook, and Google's video viewing platform, YouTube. Each serves a vast inventory of targeted or personalised impacts to advertisers and marketers thanks to user data harvested from applications and web-tracking. Because publishers lack such deep data resources, Facebook and Google are attracting most of online display advertising expenditure, and are unperturbed that prices for ad inventory sold programmatically are abysmally low.

TV advertising, by contrast, has held share of total display advertising budgets and continues to exceed online *display* revenues. TV serves brands well, including digital natives. This stability has sustained the flow of funds from FTA and pay-TV broadcasters to the AV sector, along with the stability of the public broadcasting sector.

However many broadcasters are equally concerned by meeting the challenge of audience migration to online. One aspect is the prominence of broadcaster apps on connected TVs developed by Original Equipment Manufacturers (OEMs). They also must aim to match the targeting served to advertisers by YouTube. The impact of digital on the advertising market is profound and far-reaching.

Some things however don't change. There are still large up-front costs and risks of funding content production. News origination may cost far less than AV works, but a service still needs to fund a news room to serve the 24/7 news cycle, impossible to cover on digital revenues alone.

Creators remain reliant on a backbone of commercial enterprises to bring their works to the market. Publishers retain their core importance in terms of discovering and nurturing creative talent to produce hits, and navigating the fragmented landscape of digital platforms and formats to license works for digital distribution.

Achieving a level playing field with digital natives

Ultimately, sustaining the health of the economies of the CI depend on the flow of funds from users and customers, remunerating owners, employees, authors, freelancers and suppliers, which also contribute to the public purse. The flow of funds is being disrupted by digital, and increasingly so. Since most enterprises of the CI operate mainly in their domestic markets, they cannot offset domestic demand decline by exporting more.

The challenge for the CI is to level the playing field with digital natives on at least five dimensions:

1. Online display advertising is insufficiently productive to fund professionally produced news, threatening the sustainability of journalism, the bedrock of democracy. Other challenges include the platforms' gatekeeper role for the news, for example through algorithms that may also give prominence to "fake news"
2. Broadcasters are stringently regulated by the EU, including through quotas on EU works and independent productions, restrictions on advertising minutage and product placement. By contrast, online platforms serving video content face no restrictions, and enjoy a "safe harbour" from liability for serving (*publishing?*) copyrighted content posted by users. Broadcasters' ability to compete with Netflix and Amazon Prime by developing OTT services in common were blocked by the competition authorities in Germany and the UK *by design*
3. Most of the enterprises of the CI serve only the domestic markets where they are also tax domiciled, rather than being delocalised as digital natives may be to minimise tax. This places the burden of contributing to public revenues on traditional publishers, even as their share of media expenditure declines. More generally, this raises the policy question of the correct framework for taxing global media companies
4. Online services are reliant on third-party data, making them "data-poor" in relation to Google and Facebook. Google gathers information on users from their use of gmail and many other apps. Facebook users provide their real identities and consent to their activity being tracked, also providing exceptional targeting capabilities for direct response advertising. The massive scale of their operations ensures that they have deeper pools of consumer data from which to glean insights, a business model denied to online publishers, reliant on re-targeting. This fundamental disadvantage of online publishers has become gaping due to their required implementation of more stringent user privacy policies under the General Data Protection Regulation (GDPR), to be reinforced by the forthcoming ePrivacy Regulation. Media companies should remain free to make user access to their editorial content conditional on the right to collect and process their data
5. The existing framework for the application of competition law to advertising markets contested by the digital behemoths must be adapted to the transformation of market power by platform's control of user data. The framework for liability is challenged by the blurred line between "host" and "publisher" on platforms monetising both user-generated content (UGC) and professionally-produced content. The massive audiences for online platform services are upending the balance of rights between users and creators ostensibly framed by copyright, and not just due to the phenomenon of piracy

In conclusion, the future of Europe's creative hubs depends on their ability to adjust to massive structural change in the digital age. Enterprises are being held back by frameworks for the application of policy, like taxation, competition and privacy, that are no longer fit-for-purpose and unreasonably burden established businesses in relation to competitors. If policymakers seek to sustain the supply of cultural and creative goods and services for the future, it is time for them to focus on levelling the playing field for their home enterprises to compete effectively with the tech giants of today.

Definition of the Creative Industries

At a national level, policymakers in France, Germany and the UK, have each taken their own approach to defining the "creative industries" (see Appendix) from a common nucleus of activities directed at the provision of products with a cultural object:

- Germany reports on its "cultural and creative industries" (CCI) since 2009, consisting of 12 sub-markets for the commercial provision of music, books, art works, film, broadcasting, performing arts, design, architecture, newspaper and magazine publishing, advertising services, the entire software segment including games[5]
- France reports on the state of "media and the cultural industries" in the nine segments of audiovisual (film and broadcasting), performing arts, newspaper and magazine publishing, advertising agencies, heritage, architecture, books, visual arts and cultural education[6]
- The UK measures only the supply side, excluding retailing, also expansively including in the CI all of "IT, software and computer services"[7]

This report defines the creative industries (CI) according to the continental European methodology of aggregating activities from the supply to the demand side, including retailing. The core four market clusters of the CI are:

1. Print media, consisting of enterprises engaged in publishing and printing books, newspapers and magazines, and distribution in specialised stores, notably news kiosks and book stores.
2. Audiovisual, consisting of enterprises engaged in recording, producing and broadcasting musical and visual works.
3. Advertising and marketing services provided by agencies.
4. Other, a miscellaneous grouping including architectural services (but not design), games software publishing (although the wider software segment is excluded), the reproduction of recordings, and the retailing of visual and musical works in specialised stores.

The products of the creative industries (CI) are principally defined by their reliance on creators: the ideas hatched by artists, authors and performers, nurtured and shaped by a commercial backbone of enterprises. The CI are closely associated with the commercial supply of cultural products, such as books, films, music, games and live performances. While the CI are defined by their relatively intensive use of creative occupations, enterprises draw upon the capabilities of employees in non-creative roles to produce and deliver the product. For example, a printed newspaper requires the content, printing and distribution to news outlets and subscribers. Another feature of the CI is that most enterprises are relatively small, even sole traders, leading to a reliance on the "creative cluster" as a typical location, similarly to other knowledge-intensive industries.

This report uses data made available in Eurostat's SBS Database, supplemented by national sources. The SBS Database provides data on Gross Value Added (GVA), the number of "employer" enterprises and their employees for 2015. These totals are undercounted to some extent, and differentially by country, by the exclusion of sole traders and the self-employed.

The self-employed are known to be much more significant to the CI than to other sectors:

- Germany reports 253,200 self-employed people of a total core CCI labour force of 1.1 million (23%), overlapping with the number of enterprises[8]
- France reports there were 262,000 *intermittents du spectacle* in 2016[9]
- The UK reports that the self-employed made up 35% of 1.9 million jobs in the "creative industries" in 2016, double the economy-wide figure, and 48% of jobs in the cultural sector, accounting for about 30% of GVA of the creative industries as a whole

Despite these limitations, these data from Eurostat allow the relative economic significance of the CI to Europe's three creative hubs to be assessed, and underlying trends to be analysed.

Flow of Funds to the Creative Industries

The flow of funds to the creative industries is the key driver of productive activity, consisting of:

1. Expenditure by consumers on goods and services of the creative industries, such as newspapers, magazines, books, music, games, video, cinema, events, museums and parks, as well as expenditure on TV licence fees, pay-TV and Video-on-demand (VOD) subscriptions, etc.
2. Enterprise purchase of services from advertising agencies, a conduit to TV, radio, print and outdoor media and online advertising.
3. AV programming, including works supported by licence fees, advertising revenues and tax credit regimes (recently expanded in the UK to encompass animation and high-end TV productions);
4. Public expenditure on subsidies to arts events.
5. Exports of creative products and services (to other EU Member States, US, emerging markets).

This flow of funds originates mainly with consumers, advertisers and other businesses in the domestic economy, as well as tourists. Exports to external markets are a small share of sales for most enterprises of the CI. In Germany, where 20% of economy-wide sales were to exports in 2015, exports accounted for just 3.8% of sales of the CCI.[10] This high dependence on domestic custom is explained by language, making most cultural products such as books or AV media services inaccessible to an external audience except by translation, dubbing or sub-titling. Humour and comedy are often singled out as particularly difficult to export. Games software travels easily, being part a globalized industry. In France, 58% of sales of this segment are from exports.[11]

UK exports of cultural products benefit from robust demand for English-language works in Europe, where English is the prevailing second language (38% of adults claim conversational ability).[12] AV exports to Europe were worth £4 billion in 2016 (46% of total UK AV exports),[13] mainly due to demand from Denmark, the Netherlands and Germany. The UK also exports AV products to the US, a market worth about half as much as Europe.

Consumers in France, Germany and the UK have relatively high per capita incomes and high expenditure on recreational and cultural products. Many such products however fall into "nice-to-have" as opposed to "need-to-have" categories of expenditure, leading to a pronounced cyclical profile. This cyclical profile also applies to advertising expenditure by businesses, which anticipates consumer expenditure on products and services, itself reliant on employment and wage trends.

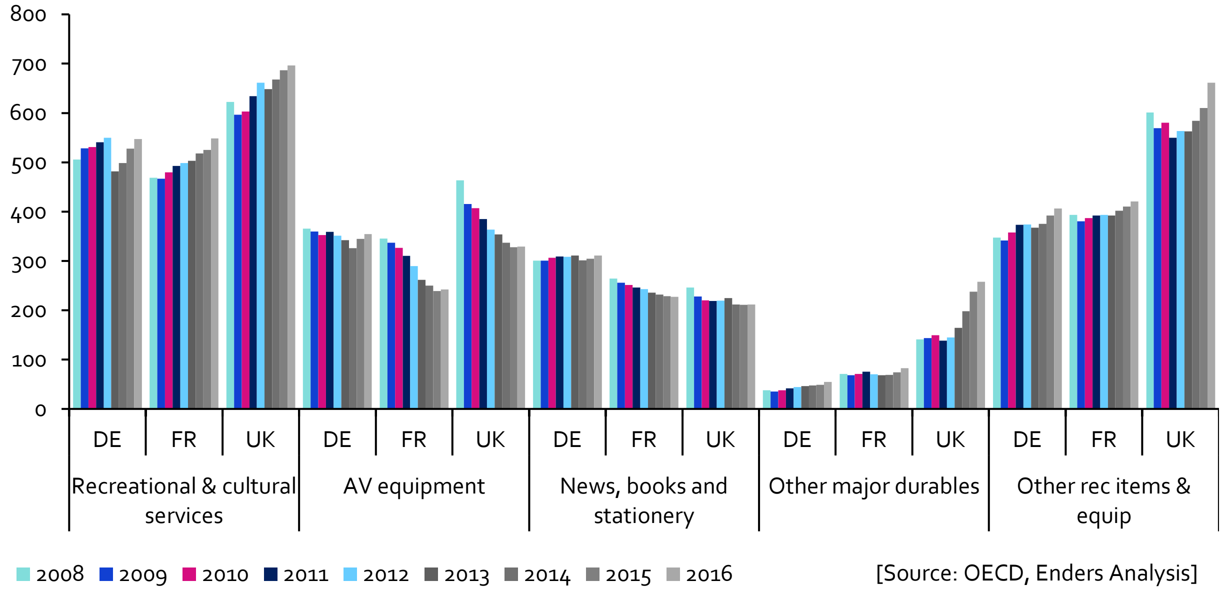
In truth, expenditure on recreational and cultural services is in decline in inflation-adjusted terms:

- In the UK, expenditure was up by 10% in 2016 since 2009, but down 4% in inflation-adjusted terms
- Since 2009, expenditure per person has risen 7% to €1,674 in Germany, but is down 2% in inflation-adjusted terms
- France had per head expenditure of €1,485 on recreational and cultural services in 2016, up just 1% since 2009 reflecting the economic malaise, and down 8% in real terms

In each of France, Germany and the UK, *experiences* like music concerts have been the driver of growth of expenditure on recreational and cultural *services* such as visits to museums, cinemas, book and music festivals.[14] In France, 37% of adults report regularly visiting sites or attending cultural events, compared to 31% in Germany and 29% in the UK.[15]

In France and the UK, consumer expenditure on recreational and cultural *goods* has instead fallen in nominal and real terms. Plunging spend on AV equipment is most likely due to the rise of the smartphone, a trend that has affected Germany less, also the more rewarding environment for print media, although under pressure in the digital age (see below). Under "other major durables" are found camper vans and boats. Under "other recreational items and equipment" are found games, toys and hobbies, including software.

Household spend on recreation and culture, 2008-15 (€ per capita)



[Source: OECD, Enders Analysis]

Supply-Side of the Creative Industries

Overview

The UK is the top creative hub in Europe, generating €76 billion in GVA in 2015, followed by Germany with €52 billion and then France with GVA of €32 billion. More revealing is the per head measurement, since Germany boasts a population of 82 million compared to 64 million in France and 65 million in the UK: €1,164 in GVA per head from the CI in the UK, twice the amount of €641 achieved by Germany and 2.3 times France's €501 per head. The UK's strengths are apparent in all four clusters, and are due mainly to a more dynamic domestic economy since the recovery from the 2008-09 recession, lifting advertising expenditure by enterprises, plus relatively strong external demand for English-language content of all kinds.

Performance of CI clusters, 2015

	France		Germany		UK	
Cluster	GVA (€m)	No of enterprises	GVA (€m)	No of enterprises	GVA (€m)	No of enterprises
Print media	9,707*	38,347	18,343	27,724	21,715	25,025
Audiovisual	10,805	24,338	13,906	11,592	19,941	26,204
Advertising	6,144	23,567	9,326	31,829	20,607	19,125
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Creative industries	**32,283**	**178,019**	**52,353**	**157,421**	**76,067**	**118,130**

*One component has been extrapolated
[Source: Eurostat SBS]

Print media cluster

The print media cluster contains mainly enterprises engaged in publishing, printing, distributing and retailing news, periodicals (e.g. magazines) and books:

- The UK is the top creative hub for print media, generating €22 billion in GVA in 2015. Relative to its population of 65 million, the UK has the largest print media cluster on the supply-side. UK publishing earned £2.3 billion in exports in 2016
- Germany is just behind the UK with print media contributing €18.3 billion in GVA
- Despite a population of 64 million, similar-sized to the UK, France's print media cluster contributed just €9.7 billion in GVA, which is below half the level of the UK

Within the publishing sector, the segment of enterprises that publish, print and distribute books have enjoyed more robust and stable revenues over the period 2010-15 than those that publish and distribute news and periodicals. Book publishers rely on sales of books to customers, while news and magazine publishers also rely on advertising. Most online news services are entirely supported by online display advertising, exposing them to competition with Facebook and Google. Publishers are mainly concerned that the application of apparently neutral legislative frameworks for competition law and privacy inadvertently upend the playing field to the detriment of the publishers that produce Europe's news and magazine content (see below).

A longstanding grievance of German and UK publishers of print media is the clearly unbalanced framework for the application of Value Added Tax (VAT)[16]:

- France applies a VAT rate of 5.5%, reduced from 20%, to sales of books, ebooks, and digital editions of newspapers and magazines, and a super-reduced rate of 2.1% to periodic publications devoted to the news registered with the *Commission paritaire des publications et agences de presse (CPPAP)*[17]
- Germany applies a VAT rate of 7%, reduced from 19%, to: books (excluding e-books); audiobooks; newspapers and periodicals (except those containing more than 50% advertising)
- The UK exempts sales of books, newspapers and magazines from VAT of 20%, however only if they are served in physical format, despite the content being entirely or largely the same, an anomaly that could soon be eliminated[18]

If policymakers are concerned by policies that reduce publishers' digital revenues, they may opt for the simple and effective course of zero-rating books, newspapers and magazines in both physical and digital format, as should be the norm for knowledge-intensive products.

Audiovisual cluster

Activities in the AV cluster span those associated with music, such as recordings and their sale, music publishing, music videos, events and festivals, and audiovisual works, such as films produced for theatrical distribution in cinemas, broadcaster commissioned TV programmes and video clips.

Like print media, the heart of the commercial opportunity for AV enterprises resides in the domestic market. Export sales by French and German enterprises are limited by language, while only those of the UK are more significant. The UK is the top AV hub in Europe:

- The UK's AV cluster generated close to €20 billion in GVA in 2015 for a population of 65 million, twice as much on a per head basis as France and Germany. Exports of the AV cluster amounted to £6.5 billion in 2016[19]
- Germany's AV cluster generated GVA of €13.9 billion in 2015 for a population of 82 million
- France's AV cluster generated just €10.8 billion of GVA in 2015 for a population of 64 million, about the same size as Germany's AV cluster in per capita terms

The supply of AV products is characterized by a complex combination of creative, financial, production and distribution capabilities. *France Créative* reports that 11% of roles in the film segment in 2013 were "creative", and 86% were roles in production, post-production (for films) and distribution, and in the TV segment, 17% of roles were creative and 82% to production.[20]

AV production is risky insofar as the work is first conceived, financed and produced, then monetised. For films, this takes place through "windows", starting with theatrical distribution, then DVD (in steep decline), VOD and pay-TV, then free-to-air (FTA) broadcasters, and then subscription VOD services. In France, the up-front commercial risk for qualifying films is reduced by advance sales to broadcasters.

Subsidies are also significant to AV production, including international co-productions:

- In France, grants are given to French film projects by the *Centre national du cinéma et de l'image animée (CNC)*, financed by a 5.5% levy on the annual revenues of broadcasters
- Germany levies an annual tax between 0.15% and 0.95% on broadcasters' advertising revenues, to fund "German Federal Film Fund" (DFFF) grants administered by the Filmförderungsanstalt (FFA)[21]
- To encourage Bristish-made AV products, the UK offers tax credits to produce films, high-end TV programmes, animation and children's programming, and video games, certified by the British Film Institute (BFI)[22]

Broadcasters are subject to stringent regulation under the EU's Audiovisual and Media Services Directive (AVMSD). It requires at least 50% of linear TV schedules to consist of EU works, and applies restrictions on advertising minutage, product placement and watersheds. The EU has proposed that subscription video-on-demand services (SVOD) abide by an EU works quota of 30% in their catalogues. Online platforms serving video content, such as YouTube, are not subject to the AVMSD, and also enjoy a "safe harbour" from litigation for serving copyrighted content posted by users, a dead loss to the copyright owners.

Broadcasters have been increasingly concerned to meet the competition of SVOD services for online audiences. SVOD services offer massive catalogues of on-demand TV programmes and films, and have moved into original production. In a decision now viewed as misguided by Ofcom the UK regulator,[23] the UK competition authority blocked in 2009 the three main public service broadcasters (BBC, ITV, Channel 4) from operating an OTT VOD service in common, like *Hulu* in the US, to pool costs and compete more effectively against tech giants Netflix and Amazon Prime.[24] In Germany, a venture between *RTL* and *ProSiebenSat* was blocked by the Bundeskartellamt in 2011, although combination efforts have recently been restarted by *ProSiebenSat*.[25]

Advertising cluster

The advertising cluster is business-to-business and consists solely of the agencies providing advertising and marketing services:

- The UK's advertising cluster was worth €20.6 billion in 2015, triple the level of Germany in per head terms, due to the stronger economy, the large number of international enterprises with a presence in the UK and exports worth £3.3 billion in 2016[26]
- In Germany, the advertising cluster generated just €9.3 billion of GVA in 2015 for a population of 82 million, with a sectoral export ratio of just 1.1% of sales
- France's advertising cluster generated just €6.1 billion of GVA in 2015 for a population of 64 million

The health of the advertising cluster is closely tied to that of the economy as a whole. Budgets of advertisers anticipate consumer expenditure trends. The digital age has furthermore given advertisers new choices, driving a substitution in the media mix to online formats that has been detrimental to news and magazine publishers. TV, a branding medium, has largely kept its share of advertiser budgets.

The flow of funds to each advertising medium is being directly impacted by competition from the market for online display. Facebook and Google harvest user data and offer exceptional targeting capabilities for direct response advertising that publishers cannot replicate. Online news and magazine publishers have shallow pools of user data and subsist on a share (~40%) of re-targeting revenues from third-party ad networks.

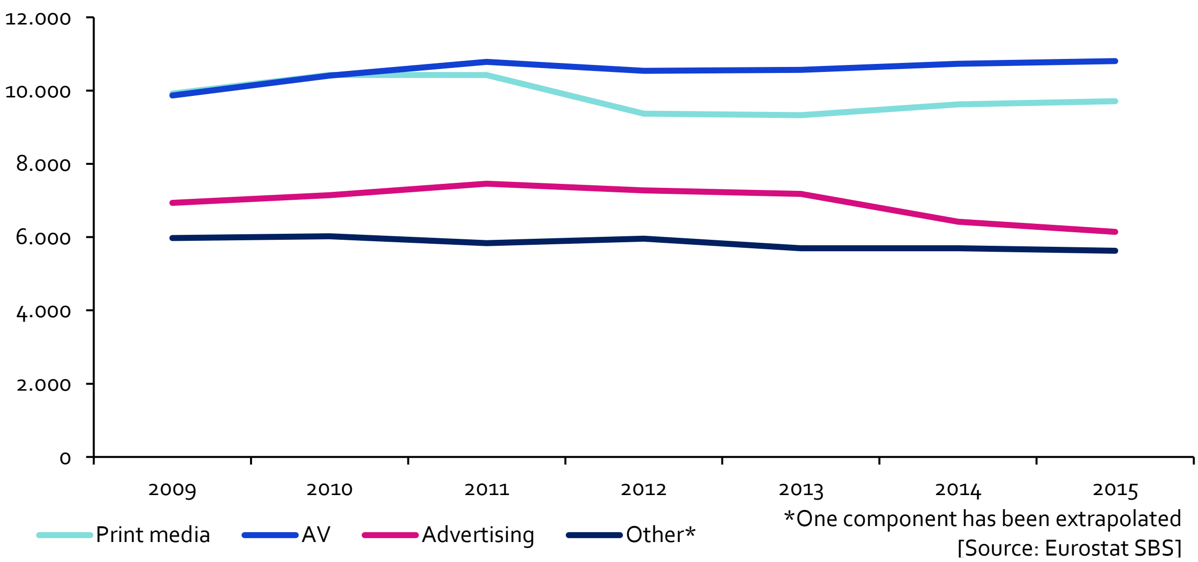
The competition authorities of France, Germany and the UK have each taken a strong interest in the online display advertising market, dominated by Facebook and Google, and the role of data in barriers to entry and expansion, the exercise of market power, and the position of the consumer. France and Germany collaborated on developing a common understanding on this topic in 2016,[27] a year after the UK's *Competition and Markets Authority* (CMA) delivered its review.[28] Competition authorities are exploring the role of user data in the advertising products offered by each of Facebook and Google. Competition authorities also emphasise data collection as a new form of economic exchange: users of social media may enjoy "free" services, but they are required to "volunteer" their personal data as a condition for access, including from off-platform activity (e.g. Facebook Like and Share buttons on third-party sites). Data protection, privacy and competition law thus interact in the online advertising market, raising novel questions about market power and the potential for abuse of dominance.

This fundamental disadvantage of online publishers in relation to the tech giants has become gaping due to the advent of consumer-focussed data protection regulation in the EU. Publishers must apply more stringent user privacy policies under the General Data Protection Regulation (GDPR), to be reinforced by the forthcoming ePrivacy Regulation.

France

France's creative industries have historically generated a lower level of GVA than German and British counterparts. After an encouraging 4% resurgence in GVA in 2010, the growth gap of France has widened since 2011 with Germany and the UK, owing to the persistence of France's wider economic malaise. By 2015, GVA of the CI was reported at €32.3 billion, marginally below the level of GVA of €32.7 billion achieved in 2009 at the bottom of the recession.

France's CI clusters, GVA (€m)



*One component has been extrapolated
[Source: Eurostat SBS]

This economic malaise has negatively impacted cyclically-exposed advertising-supported clusters like newspapers, magazines and broadcasters. The largest absolute declines during the period were in newspaper and magazine publishing and printing, and advertising agencies.

The stance of public policy in France has mainly been concerned with the preservation of the French language and culture, viewed as vehicles for the expression of values considered important to society.[29] Culture is cited by 35% of tourists as the main reason for visiting France, the top global tourism destination; tourism expenditure on recreational goods and services is not counted in with domestic expenditure, appearing as exports of tourism.

Fostering the production of films has long been given priority. France is the top cinema admissions market among Europe's creative hubs: 209 million tickets sold in 2017 (off the peak of 217 million in 2011), compared to 176 million in the UK and 122 million in Germany. Together, France, Germany and the UK accounted for just over half of cinema admissions of 985 million in 2017 in the EU28.

Cinema-going is well anchored in the French population, with 68% participation (42 million people) in 2016; people of retirement age are the most regular customers, accounting for 1 of 5 admissions.[30] Of the 209 million admissions, 75 million were to French films. The *Centre national du cinéma et de l'image animée* (CNC), which manages the state's support for film production, distribution and the preservation of film heritage, qualified 283 films in 2016 for grants.[31] French film production is low-tech and low-budget in relation to the Hollywood majors.

Broadcasters are the other component of the AV cluster: pay-TV operator Canal+; and free-to-air (FTA) TF1, M6 (served by *Métropole Télévisions*) and others. Channels' mandatorily contribute to content investment based on their annual turnover, which has been stable in nominal terms, generating annual investment of €825 million over the 2010-15 period.

Television remains the top display medium in France (28% share of display), thanks to its efficacy. TV is more than double internet display (13%), which is however faster-growing. Like the UK, the internet is ahead of TV in France if both display and search are counted in.

Press advertising however is in crisis. In 2017, press advertising fell to €2.1 billion, a 15% share of display advertising, capping a decade of continuous decline from the peak of €4.8 billion in 2007, when press had a 42% share of the advertising pot. The policy debate in France is focussed on the menace posed by the stranglehold that Facebook and Google have over online display to the delicate social and economic balance of news and magazine publishers.

Performance of advertising media in France, 2012-17 (%)

	2012	2013	2014	2015	2016	2017
Television	-4.5	-3.5	0.1	0.6	0.4	1
Cinema	0.4	-13.3	-9.6	1.8	8.9	8.6
Radio	-1.2	-0.4	-1.4	-0.8	-1.3	-2.6
Press	-8.2	-8.4	-8.4	-5.9	-6.7	-7.4
Outdoor	-1.7	-1.7	0.8	-0.6	3.1	-2
Internet	5.4	4	4.6	6	8	12
Directories	-5	-5.8	-5.4	-6.9	-11	-8
Real GDP	0	0.3	0.2	1.2	1.1	2.0

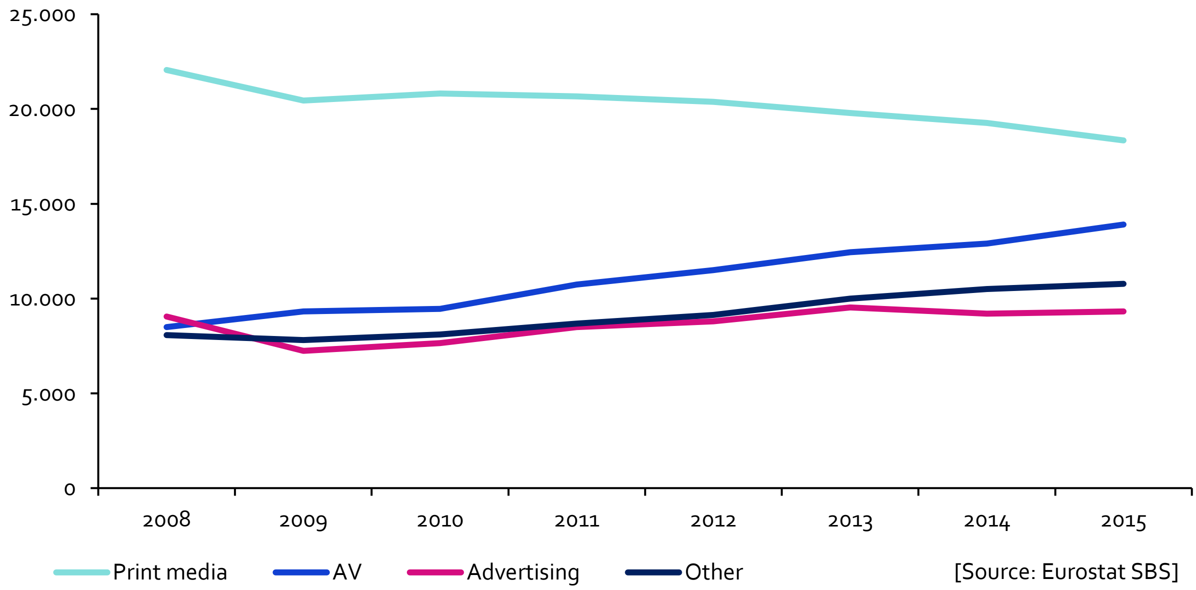
[Source: irep]

Germany

In terms of GVA of its CI, Germany is well ahead of France in absolute and per head terms. Its creative industries generated €52 billion in value added in 2015, about the same as in 2013. That amounted to €649 in value added per head, just over half the level of the UK. The CI comprised 138,000 employer enterprises with nearly one million people on staff. Growth of the CI over 2010-15 has been in line with nominal GDP growth.

Germany's largest cluster is print media, with GVA of €20.3 billion in 2015. GVA has been steadily eroded since 2010 by similar structural problems to those facing print media in other markets. The AV cluster has proved more dynamic, being worth €13.9 billion in 2015, up from €9.5 billion in 2010 (+46%). Advertising GVA picked up in the period to 2013, but has since been stable.

Germany's CI clusters, value added (€m)



[Source: Eurostat SBS]

Expenditure on advertising media has been in slight decline since 2013.[32] Television in Germany remains the top display medium with €4.6 billion in net advertising revenues in 2017 (15% of total display). TV is ahead of daily newspapers and consumer magazines (€3.3 billion), and online display (€1.9 billion). Online is dynamic and raising share at the expense of print media.

Including all of software development in "software and games", BMWi reports it is the largest submarket:[33]

- The most dynamic for GVA, which rose 69% between 2010 and 2016
- With €35.8 billion in turnover (21% of total CCI turnover) and €29 billion in GVA (30% share of total CCI GVA), it boasts a higher gross profitability ratio of 83% than the 65% for the CCI as a whole[34]
- Close to 75% of enterprises employ freelancers and many also offer mobile and flexible working

By contrast, BMWi reports turnover of the book market has been in gentle decline since 2010. Sales in Germany fell slightly in 2016, while the UK and France saw strong sales growth.

Germany's book market is however built on strong national fundamentals, limiting the impact of digital transformation or changing consumer behaviour. It's three core pillars are education (20% of sales in 2015), fiction (48%), and non-fiction (32%).[35]

Without aiming to be comprehensive, signs of resilience of the book market in Germany include:

- The amount of per head of expenditure on news, books and stationary has been stable since 2008, which contrasts with France and the UK, where it is falling
- Involvement in reading books is very high, with 79% of the population reading a book in the past 12 months and 40% having read a book by an author from another European country in 2013[36]
- All generations read books. In 2011, 75% of adults aged 25-64 reported they had read a book in the last 12 months. Close to 60% of women aged 25-64 read 5 or more books in 2011[37]

Germany's book market is less export-dependent than the UK's, but export sales to the EU benefit from a sizeable German-language audience. BMWi reports that 14% of enterprises in the book market exported to some degree, although the export-to-sales ratio was just 8.7%, weighed down by the large number of enterprises in book retailing (21% of the total book market) that do not export.

However, change is unavoidable. Germany is over-retailed in print, with more dedicated bookstores than any other European country. The pressures are already evident. Between 2010 and 2016, the number of enterprises in book retailing fell 13% and its core workforce fell 21% to 22,000.[38] This rebalancing is another challenge for publishers, which have more leverage over specialist bookstores than generalist retailers in terms of their ability to dictate terms and control merchandising. Publishers are now also occupied with distribution on Amazon, the largest retail channel for books and ebooks in Germany, and also for self-publishing authors.

Market data on the significance of ebooks in the German book market include:

- Börsenverein states ebooks contributed 4.6% of trade revenues in 2015, compared to a figure from the UK's Publishers' Association of 15% for 2016
- Book research institute MVB states ebooks form 11% of the average 16.7 titles sold in 2015, which PwC predicts will reach 20% by 2020[39]

These metrics are likely to severely understate the actual value of and share of ebooks sold due to poor coverage of Amazon-published and self-published titles, as well as the Tolino platform.[40] (Foregone sales from piracy of ebooks are difficult to size.) Amazon's self-publishing efforts might be thought to be less significant in Germany than in English language markets, but Amazon has a well-optimised production line for works in translation in AmazonCrossing, and has the data to identify potential cross-market hits. Kindle bestsellers on the German Amazon store therefore heavily feature books from Amazon imprints translated from English into German.

Kobo Rakuten data shows that Germans are willing to read English language works more than other continental markets, which further exposes German publishers to competition from Amazon publishing (10% of German unit sales on Kobo in 2016 were in English, compared to 4% in France). Publishers have limited ebook discounting in Germany, making ebook pricing look more like the US than the deep discounts available in the UK. This is good for protecting print, where publishers are at their strongest, but also improves the relative value of low-cost self- and Amazon-published ebooks.

United Kingdom

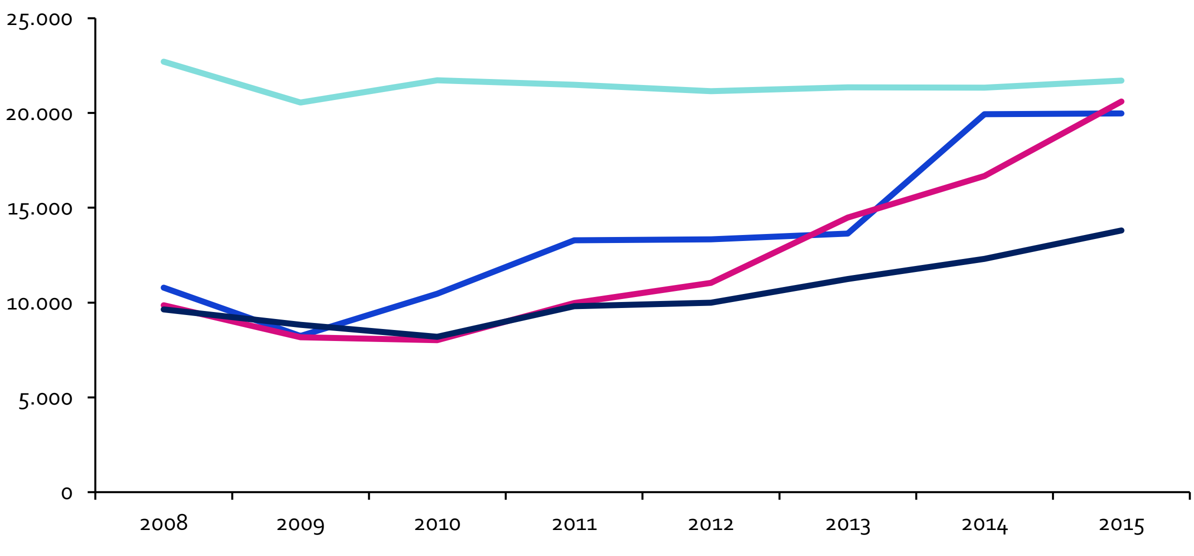
The UK is the most fertile creative hub in Europe, with an estimated €1,164 in GVA per head in 2015. Reasons include: relatively high domestic consumer expenditure on recreational and cultural services, the strength of exports of English-language AV and advertising products, and the UK's earlier recovery from the 2008-09 recession.

Another factor is currency movements: the UK reports in sterling and outcomes are converted to euros to compare them with France and Germany. Sterling rose from an average level of €1.18 in 2013 to €1.38 in 2015 (+17%), automatically boosting the value-added of the UK's print, audiovisual and advertising clusters reported in euros.

For 2015:

- The print media cluster generated €22 billion in GVA. The stable topline trend of the cluster since 2010 masks a sharp decline in printing, publishing and retailing of news and magazines, while books have been stronger
- GVA of the AV cluster shot up 46% in 2014 to close to €20 billion, driven by TV programming and broadcasting activities, correlated with a particularly strong year for advertising and exports
- The cyclically-exposed advertising cluster was worth €20.6 billion in GVA in 2015, having initiated since 2013 a strong recovery from the 2008-09 recession

UK's CI clusters, value added (€m, 2015 fx rate)



[Source: ONS, Eurostat, Enders Analysis]

These strong results for the UK's advertising and AV clusters highlight the specific risks of Brexit:

- The advertising cluster peaked prior to the vote for Brexit on 23 June 2016. Growth of the UK economy has since slowed to a crawl
- Exports of AV services to the EU amounted to £4 billion in 2016.[41] UK AV works are often sold into EU works quotas of broadcasters (see above), and this access could be preserved.[42] By contrast, the "country-of-origin" (COO) principle of the AVMSD, which enables exports of UK TV channels to the continent, is no longer expected to apply to the UK when it leaves the Single Market

As part of the industrial strategy for the post-Brexit economy as a whole, the Government intends to support the CI through its *Creative Industries Sector Deal*.[43] The Government has earmarked £150 million to support the scaling up of the CI's many SMEs and foster creative clusters outside London, where most are located. The Government is also promising to better protect the IP of creative enterprises by convening online intermediairies and rights holders to decide on voluntary "Codes of Practice" on social media and user upload platforms, digital advertising and online marketplaces. With 25% of UK internet users practicing online piracy,[44] the return to IP creation in the digital age is under significant pressure in the UK.

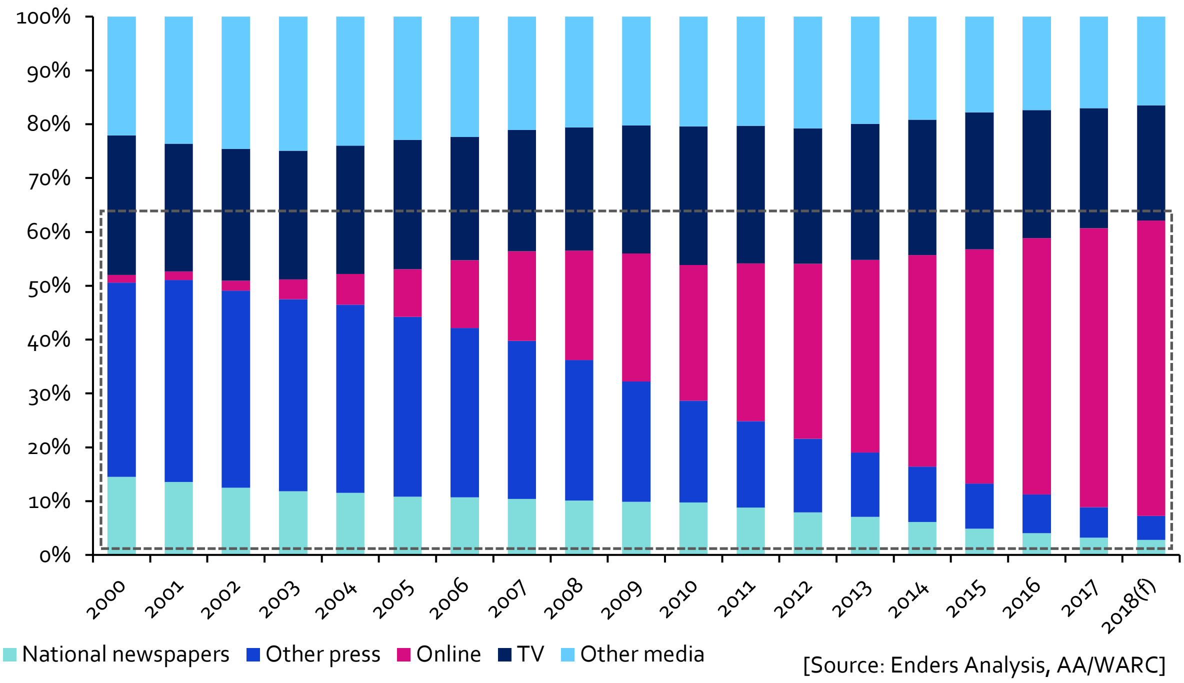
The sector deal comes on top of longstanding tax credits to support AV production, also encouraging foreign direct investment by international studios. To encourage British-made AV products, the UK offers tax credits to produce films, high-end TV programmes, animation, children's programming and video games, certified by the British Film Institute (BFI). In 2016 alone, grants to film productions were £415 million. Since 2007, the film tax reliefs have attracted £11 billion in investment in British screen industries.

By far the greatest threat to content provision is found in the newspaper market, which is segmented into national and regional titles. Circulation of print copies of newspapers has been in long-term decline since the 1950s, but accelerated when Google became mass market, and again when smartphones became the norm. Daily commutes and the breakfast table were no longer uniquely well served by print media. Newspaper advertising plunged during the recession in 2008-09 and has not yet stabilised. In 2017, the decline of advertising has materially outstripped volume sales dimunition.

In March 2018, DCMS announced the *Cairncross Review* to investigate the overall state of the market for news, threats to the financial sustainability of operations, the role and impact of digital search engines and social media platforms, how content and data flows are operated and managed, and the role of digital advertising.

Online has gobbled up the share of newspapers in advertising, first in classifieds, then display. In the UK, print media in aggregate generated nearly 50% of all media spend in 2000. Today, *all* publisher media, including TV, generates less than 11% of all digital advertising, and the news industry generates less than 4%.

Share of advertising by medium (%)



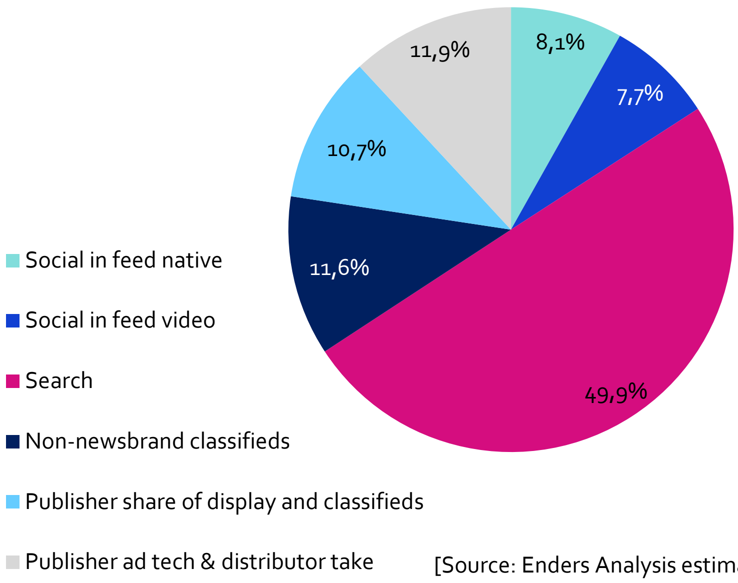
[Source: Enders Analysis, AA/WARC]

Newspaper media are manifestly engulfed in a "perfect storm", yet the transition to digital is becoming clearer. For nearly 20 years, most news brands have chased an online business model premised on creating enormous audience scale in order to maximise advertising income. This premise was flawed. Scale is an appropriate metric for a (relatively speaking) low fixed-cost business able to improve its margin with every extra eyeball reached, but a challenging one for costly content enterprises. Publishers will *never* be able to cover the costs of a large newsroom with digital advertising revenue alone. Even digital native Buzzfeed has had to make redundancies.[45] Publishers have also found the model creates perverse incentives, to generate "click bait", or sensational headlines (one category of fake news): content optimised for Google, Facebook and other social media, rather than for the needs of a core audience who has a deeper, sustained interest in a particular news brand or agenda. Services such as Outbrain (stories "from around the web") have flourished.

Additionally, for decades the fundamental trading mechanisms for advertising united scarcity and quality context. If all publishers chase scale then these media benefits are systematically dismantled, pushing all advertising rates down. All of these issues are enormously accentuated for print newspapers precisely because *their* advertising inventory, rather than TV or radio or Out-of-Home, has transitioned to digital faster, sooner and more completely.

Newspaper publishers have found themselves competing for revenues directly with Facebook and Google with absolutely no chance of winning. We estimate newsbrands attracted just 10.7% of UK online ad spend in 2017, including search, and 21% excluding the segment.

Share of 2017 UK online ad spend by destination



[Source: Enders Analysis estimates based on IAB ad spend study]

Newspapers have placed their biggest ever bet on advertising during a physical-to-digital transition that has seen them shift from being major advertising media to trivial advertising media. The main reason publishers found themselves in this invidious position is that they assumed consumers would not pay for digital news. As a result, publishers entirely discounted not only their most important revenue stream, but they accelerated the decline of print (where that revenue stream remains critical), and they diluted their core advantage in generating their secondary revenue stream. The future is becoming clear: consumers must continue to pay for news in one way or another.

Appendix – Definitions of the Creative Industries

Enders Analysis definition

This report defines the creative industries (CI) according to the continental European methodology of aggregating activities from the supply to the demand side, including retailing. The core four market clusters of the CI are print media, audiovisual, advertising, and other activities such as games sowftare publishing and architectural activities.

Enders Analysis definition of the creative industries	
Cluster	UK SIC (2007) code
Print media	
• Publishing of books, periodical and other publishing activities	J58.1
• Retail sale of books in specialised stores	G47.61
• Retail sale of newspapers and stationary in specialised stores	G47.62
• Printing and service activities related to printing	C181
Audiovisual	
• Motion picture, video and television programme production, sound recording and music publishing activities	J59
• Programming and broadcasting activities	J60
Advertising	M73.1
Other activities of the creative industries	
• Publishing of computer games	J58.21
• Architectural and engineering activities; technical testing and analysis	M71.11
• Retail sale of music and video recordings in specialised stores	G47.63
• Reproduction of recorded media	C18.2

[Source: Enders Analysis based on SIC(2007)]

French Government definition

The *Ministry of Culture and Communication* reports annually on "media and the cultural industries" in the nine segments of: audiovisual (film and broadcasting), performing arts, newspaper and magazine publishing, advertising agencies, heritage, architecture, books, visual arts and cultural education.[46] GVA of this grouping reached €44.5 billion in 2015 on turnover of €88.1 billion.

German Government definition

The *Federal Ministry for Economic Affairs and Energy* (BMWi) reports on the "cultural and creative industries" (CCI) since 2009, consisting of 12 sub-markets for the commercial provision of music, books, art, film, broadcasting, performing arts, design, architecture, newspaper and magazine publishing, advertising services, and software and games.[47] The principal difference in scope with the definition used in this report is that Germany includes the design industry and all of software development in the CCI, the latter being similar to the approach taken by the UK (see below).

In 2016, the CCI generated turnover of €154.4 billion and GVA just under €100 billion, 3.1% of Germany's GDP. BMWi reported 253,200 enterprises and 1.1 million employed persons, comprising 864,000 employees and 253,200 self-employed.

UK Government definition

The creative industries were defined by the Department for Culture, Media and Sport (DCMS) in 2001 as "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".[48] DCMS identified such "creative" industries by 4-digit SIC code as those with at least 30% "creative intensity",[49] defined as the proportion of people doing creative jobs within each industry. For example, 79% of jobs in the performing arts are creative, and just 38% of jobs in the operation of arts facilities are creative.

Industries defined by DCMS as creative include advertising, architecture, the art and antiques market, crafts, design, designer fashion, film and video, interactive leisure software, music, the performing arts, publishing, software and computer services, television and radio. Unlike Germany, DCMS excludes the retail sale of books, news and magazines, music and video recordings in specialised stores. Like Germany, DCMS includes "other software publishing" (58.29). In addition, DCMS expansively includes "computer programming activities" (62.01) and "computer consultancy activities" (62.02).

DCMS last reported that the creative industries accounted for gross value added (GVA) of £91.8 billion in 2016, representing 5.3% of the UK economy.[50] The creative industries have recovered strongly on the back of the consumer boom, from £63 billion in 2010, posting a level of growth of 44% that was double the growth of UK GVA itself (22%). DCMS also estimated that the creative industries account for 1.96 million jobs directly in 2016 and exports of £21.2 billion in 2015 (9.4% of total UK exports of goods and services).[51]

[1] Federal Ministry for Economic Affairs and Energy (BMWi), *2017 Cultural and Creative Industries Monitoring Report, Summary,* December 2017. BMWi relies on a database of VAT-paying enterprises, yielding 253,200 business units, overlapping with 253,200 self-employed/low turnover VAT registered enterprises.
[2] Ministère de la Culture et de la Communication, *Médias et Industries Culturelles, Chiffres clés 2018*, 2018..
[3] EY, Création sous tension, 2e Panorama de l'économie de la culture et de la création en France, Octobre 2015; EY, 1er Panorama des industries culturelles et creatives, Au Cœur du rayonnement et de la competitivite de la France, Octobre 2013.
[4] https://www.gov.uk/government/statistics/dcms-sectors-economic-estimates-2016-trade
[5] Federal Ministry for Economic Affairs and Energy (BMWi), *2017 Cultural and Creative Industries Monitoring Report, Summary,* December 2017.
[6] Ministère de la Culture et de la Communication, *Médias et Industries Culturelles, Chiffres clés 2018*, 2018.
[7] Department for Digital, Culture, Media and Sport (DCMS), *DCMS Sectors Economic Estimates 2017: Employment and Trade*, July 2017. In 2015, DCMS reports the cultural sector contributed 30% of the total GVA of the creative industries.
[8] Federal Ministry for Economic Affairs and Energy (BMWi), *2017 Cultural and Creative Industries Monitoring Report, Summary,* December 2017, p. 15.
[9] Pole emploi, Statistiques et indicateurs, L'emploi intermittent dans le spectacle au cours de l'année 2016, July 2017.
[10] Federal Ministry for Economic Affairs and Energy (BMWi), *2017 Cultural and Creative Industries Monitoring Report, Summary,* December 2017, Table 2.3.
[11] Ministère de la Culture et de la Communication, *Médias et Industries Culturelles, Chiffres clés 2018*, 2018.
[12] European Commission, Special Eurobarometer 386, *Europeans and their languages*, June 2012.
[13] https://www.gov.uk/government/statistics/dcms-sectors-economic-estimates-2016-trade
[14] Expenditure on recreational and cultural services is defined as fees charged on: entry to sports and recreational venues (e.g. stadiums, pools), for the hire of equipment, lessons; by venues associated with cultural services such as cinemas, theatres, opera houses, concert halls, music halls, circuses, sound and light shows, along with monuments and national parks, TV and radio broadcasting (e.g. licence fees and subscriptions); and for games of chance (e.g. gambling, lottery tickets).
[15] Special Eurobarometer 466, *Europeans and Cultural Heritage*, September-October 2017.
[16] https://www.vatlive.com/vat-rates/european-vat-rates/
[17] http://www.cppap.fr/criteres-dadmission/
[18] Marcus Ward, "VAT: Are digital newspapers newspapers?", 14 March, 2018. http://www.marcusward.co/vat-are-digital-newspapers-newspapers/
[19] https://www.gov.uk/government/statistics/dcms-sectors-economic-estimates-2016-trade
[20] EY, Création sous tension, 2e Panorama de l'économie de la culture et de la création en France, Octobre 2015, p. 49.
[21] https://www.ffa.de/funding.html
[22] http://www.bfi.org.uk/film-industry/british-certification-tax-relief/about-tax-relief
[23] https://mediatel.co.uk/newsline/2018/03/14/project-kangaroo-bounces-back-sort-of/
[24] The UK's Competition Commission prohibited Project Kangaroo, the joint venture of the BBC, Channel 4 and ITV, in 2009.
[25] https://www.broadbandtvnews.com/2018/06/25/prosiebensat-1-and-discovery-join-forces-to-create-german-hulu/?mc_cid=ffc33c285e&mc_eid=ae1b8284f4
[26] https://www.gov.uk/government/statistics/dcms-sectors-economic-estimates-2016-trade
[27] Autorité de la concurrence and Bundeskartellamt, *Droit de la concurrence et données*, 10 May 2016.
[28] Competition and Markets Authority, *The Commercial Use of Consumer Data*, 2015.
[29] According to France Créative : « La culture et la création sont doubles. Si leur apport à l'économie générale est indéniable, elles sont également et surtout porteuses de valeurs autres que purement économiques : elles donnent du goût, du sens et de la couleur à la vie dans un monde atteint par la morosité. Elles participent à notre émancipation collective, elles créent du lien social, elles sont les vecteurs de notre démocratie en action, reflets à la fois de valeurs universelles et de regards individuels uniques sur le monde qui nous entoure. C'est par la diversité des créations que nous avons accès à la fois à la richesse des altérités et à ce qui constitue notre humanité commune. La culture et la création sont aussi des forces économiques essentielles pour notre pays, d'une grande diversité avec pas moins de dix secteurs : les arts visuels, la musique, le spectacle vivant, le cinéma, la télévision, la radio, le jeu vidéo, le livre, la presse et la publicité et communication. » EY, *Création sous tension, 2e Panorama de l'économie de la culture et de la création en France*, Octobre 2015, p. 4.
[30] Ministère de la Culture et de la Communication, *Médias et Industries Culturelles, Chiffres clés 2018*, 2018.
[31] http://www.cnc.fr/web/en
[32] http://www.zaw.de/zaw/branchendaten/nettoumsatzentwicklung-der-werbetraeger/2018_1_Netto-Werbeeinnahmen_2013-2017.pdf
[33] Federal Ministry for Economic Affairs and Energy (BMWi), *2017 Cultural and Creative Industries Monitoring Report, Summary,* December 2017, Tables 7.1,7.2, 7.3, 7.4.

[34] GVA = Turnover (or sales) less the cost of bought in goods & services (excl. employee costs).
[35] PwC, Executive Summary: Der Buchmarkt in Deutschland 2016-2020, October 2017. See also MVB, Buch und Buchhandel in Zahlen 2017.
[36] European Commission, Special Eurobarometer 399, *Cultural access and participation*, November 2013.
[37] Eurostat, "Persons reading books in the last 12 months by sex and age", 2011.
[38] Federal Ministry for Economic Affairs and Energy (BMWi), *2017 Cultural and Creative Industries Monitoring Report, Summary,* December 2017, Table 7.9.
[39] MVB, Buch und Buchhandel in Zahlen 2017, August 2017.
[40] "For Tolino, Manning [Matthias Manning, publisher of the Self-Publisher-Bibel] sees self-published ebooks to account for around 20% of all unit sales, while at Amazon's German Kindle shop, that share is around double this level, hitting regularly since 2015 the 40% mark, yet with no further growth indicated." (Rüdiger Wischenbart, *Global eBook 2017,* p. 20)
[41] https://www.gov.uk/government/statistics/dcms-sectors-economic-estimates-2016-trade
[42] Once the UK becomes a third country, it may remain eligible for EU works quotas and TV channel exports to the Continent under the 1989 European Convention on Transfrontier Television, the first international treaty creating a legal framework for the free circulation of transfrontier television programmes in Europe.
[43] HM Government, *Industrial Strategy. Creative Industries Sector Deal*, 2018.
[44] Intellectual Property Office (IPO), *Online Copyright Infringement Tracker*, July 2017.
[45] http://www.pressgazette.co.uk/23-newsroom-staff-facing-redundancy-at-buzzfeed-uk-as-union-says-cuts-are-chilling-for-news-industry/
[46] Ministère de la Culture et de la Communication, *Médias et Industries Culturelles, Chiffres clés 2018*, 2018.
[47] Federal Ministry for Economic Affairs and Energy (BMWi), *2017 Cultural and Creative Industries Monitoring Report, Summary,* December 2017.
[48] DCMS*, 2001 Creative Industries Mapping Document*, April 2001.
[49] DCMS, *Classifying and Measuring the Creative Industries, Consultation on Proposed Changes*, April 2013.
[50] DCMS, *DCMS Sectors Economic Estimates 2016: Gross Value Added*, November 2017.
[51] DCMS, *DCMS Sectors Economic Estimates 2017: Employment and Trade*, June 2018.