

Press release, January 26<sup>th</sup>

## **New study reveals that cultural and creative industries could hold the key to rebuilding Europe's battered economy**

**Study finds that cultural and creative industries (CCIs) before COVID:**

- **Employed more than twice as many people as telecommunications and automotive industries combined**
- **Were growing faster than the EU average**
- **Represented 4.4% of EU GDP**

**But were some of the worst affected by the pandemic.**

**CCIs are much more than “just another sector to get out of the crisis”: they are a significant part of Europe's solution for this crisis, at a time when we need political unity, a powerful economic stimulus, and social regeneration.**

A new EY study unveils the vast contribution cultural and creative industries (CCIs) make to the EU economy and outlines the role they should play in Europe's recovery.

The study, called [“Rebuilding Europe: The cultural and creative economy before and after COVID-19”](#), captures the figures behind Europe's thriving CCIs before the pandemic, and the staggering effects of venue closures and social distancing measures.

### **A THRIVING ECONOMY**

In 2019, the CCIs represented 4.4% of EU GDP, with an annual turnover of €643billion and a total added value of €253 billion. CCIs were also one of Europe's leading jobs providers, employing more than 7.6 million people, more than eight times the telecommunications industry.

CCIs were growing faster (2.6%) than the EU average (2%) and represented a trade surplus of €8.6billion – underlining the EU's status as a cultural powerhouse in the world economy. The creative economy also came out favourably in terms of technological innovation, gender diversity and employment of young people.

### **COVID-19**

When COVID-19 took hold, the study finds that CCIs were worse hit than the tourism industry and only marginally less impacted than the air transport industry. CCIs as a whole experienced losses of over 30% for 2020, a figure that belies the more than 75% losses experienced in the music industry and 90% in the performing arts sector. Some sectors, such as gaming, showed signs of resilience and even growth.

### **THE REBUILD**

Considering CCIs' key contribution to the overall economy, EY concludes that the creative sector should be central to Europe's recovery efforts and recommends a three-pronged approach: ‘finance, empower, leverage’. They recommend massive public financing and the promotion of private investment, a solid legal framework to create the conditions needed to revitalise the creative economy and safeguard its long-term growth, and leveraging the soft power of CCIs and individual creative talent to drive societal progress.

## **A UNIFIED SECTOR DESCENDS ON BRUSSELS**

Unprecedented times called for unprecedented measures. Never before has Europe's creative economy experienced such economic devastation, the effects of which will be felt for the next decade. The release of this study has inspired a unified march on Brussels, at the initiative of GESAC, in which representatives from across the CCI spectrum, led by electronic music pioneer Jean-Michel Jarre, will meet high-level decision-makers, including Vice Presidents Dombrovskis, Schinas, Šuica and Commissioners Breton, Schmit and Gentiloni.

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**Jean-Michel Jarre**, electronic music pioneer says :“Culture has become a scarce resource in today's Europe, and we are all suffering because of it. At the same time, Europeans are experiencing the truly profound value of art and its ability to bring us together. This study reflects that reality, it puts numbers to the suffering and offers clear instructions as to the solution. ”

**Jean-Noël Tronc**, President of GESAC and CEO of SACEM says: “The CCIs are as dynamic as they are vulnerable, as essential as they are diverse, and fortunately, it's not too late to take action. In addition to massive funding, what's needed is a solid legal framework guaranteeing fair remuneration for creators and their business partners and, in this regard, the swift and effective implementation of the Copyright Directive is key. European leaders also need to prepare for the future, by using the CCIs - and the multiplied power of their millions of individual talents - as a major accelerator of social, societal and environmental progress in Europe.”

**Marc Lhermitte**, Partner EY says: “This study provides the most up to date data on the massive economic impact of the COVID-19 crisis on cultural and creative industries in Europe. 2020 was a dramatic year for the cultural and creative industries (CCIs), both in Europe and around the world. Culture was the first to suspend most of its live and retail activity – and it will probably be the last to resume without constraint. But the study also asserts that this sector, an economic heavyweight, which is at the heart of Europe's social fabric, could become the number one ally of an economic revival. It showcases the power of culture, its dynamism and its contribution to the EU's global influence”.

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## **MORE ON THE STUDY**

The study was commissioned by GESAC (European Grouping of Societies of Authors and Composers) and brought together a broad array of partners; AEPO-ARTIS, EUROCINEMA, EUROCOPYA, EVA, FIAPF, IMPALA, IVF, SAA, SROC, and supportive organisations; AER, CEPIC, EACA, ECSA, EGDF, EPC, FEP, FERA, FSE/SCRIPT, IFRRO, IMPF, highlighting the cross-sectoral support for its findings and recommendations.

*Full study link*

*Executive summary link*

*Study website link*

*Study press conference (Zoom) link*

## **About GESAC**

GESAC groups 32 of the largest authors' societies in the European Union, Iceland, Norway and Switzerland. They defend and promote the rights of more than 1 million creators and rights holders in the areas of music, audiovisual works, visual arts, and literary and dramatic works.

**About EY**

EY exists to build a better working world, helping create long-term value for clients, people and society and build trust in the capital markets. Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate. Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

**For more information**

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