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The Cultural Industries in France and in Europe: Points of Reference and Comparison

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The Cultural Industries in France and Europe: Points of Reference and Comparison

Roxane Laurent*

In 2011, the cultural industries (audiovisual and multimedia, press and publishing-related activities, advertising agency services) accounted for 2.6% of France's entire market economy, one of the highest rates in Europe. This proportion is higher than Germany's 2.1%, but nevertheless remains lower than the UK's 3.2%.

In France, the audiovisual and multimedia sectors account for the largest proportion of cultural industry activities, unlike Germany and the UK where press and book publishing predominate. Certain French activities such as video games and production and postproduction for motion pictures, video and television account for more than a third of all such European cultural activity. News agencies are on the other hand predominantly English, whilst Germany makes a very considerable contribution to the recorded music, radio and newspaper sectors.

As in all sectors of the market economy, French cultural businesses are less profitable (measured here by their margin rate) than their European counterparts, due to factors of production cost issues. Publishing and advertising agencies show particularly low margin rates. On this basis, video games and film production prove France's most profitable cultural sectors, whilst in Germany and the UK they are press-related, and in Italy, music.

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Within the cultural sector, the cultural industries publish, produce and disseminate reproducible cultural goods and services, e.g. books, press publications, short and feature-length films, television programmes, video games etc. The harmonised definition of the statistical field of culture as designated by Eurostat (the statistical office of the European Commission) also includes the activities of the dissemination and processing of the following: translation, interpreting, news agencies, retail sales of newspapers, books, recorded music, video rental, as well as the creative activities of advertising agencies, thus excluding advertising sales (see the "Source and Scope" section, page 16). The goods which these industries produce are reproducible, thus differentiating them from the other cultural sectors of architecture, performing arts, visual arts, cultural heritage and cultural education, none of which are included here.

Comparisons between countries are made on the basis of the structural business statistics published each year by Eurostat. This survey covers businesses only: associations and public bodies are therefore outside the scope of this paper. Statistics are drawn up on the basis of company tax declarations with additional data from specific surveys. Essentially, the scope of the 'market sector' field, of which the cultural industries' share is calculated, covers the vast majority of activities but excludes agriculture and financial services. The data used here is therefore not directly comparable with that indicating the impact of culture on the economy as given in the national accounts published elsewhere. This latter data effectively covers all players (businesses, associations, public bodies etc.) and all sectors (cultural industries, other market sectors, non-market sectors) but this still does not allow for comparison with other countries, (see Source and Scope, p. 16). According to national accounts, businesses within the cultural industries account for around 60% of total cultural value-added and around 75% of cultural market value-added.

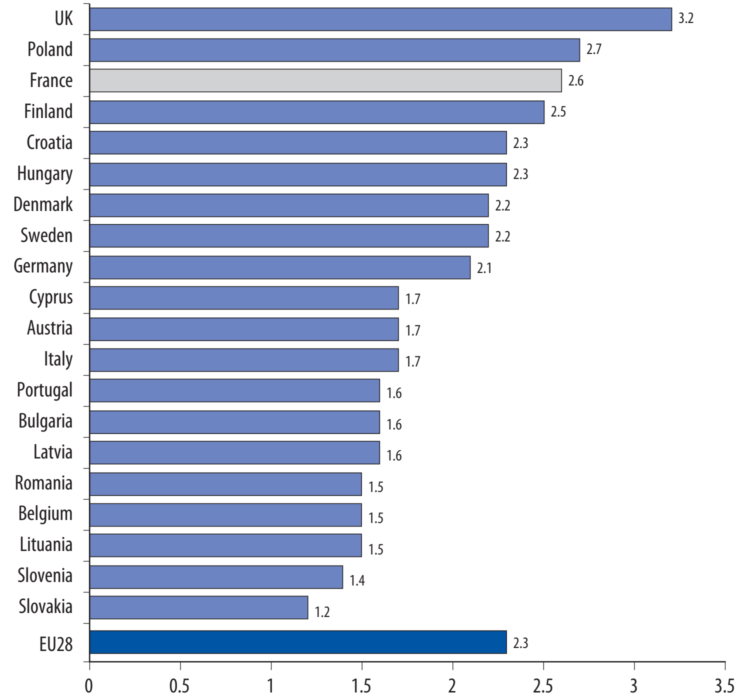
France's cultural industry value-added contribution to the market sector outstrips the European average

In France, value-added for the cultural industries accounted for 2.6% of the market sector, compared with the European average of 2.3% (Fig. 1). France ranks third in Europe, behind the UK (3.2%) and Poland (2.7%), whilst the lowest cultural industry value-added contribution to the market sector came from Slovakia, Slovenia and Lithuania (around 1%) in 2011. France outstrips Germany (2.1%) and Italy by quite some margin (1.7%).

Whether determined on the basis of business turnover, employment figures or number of businesses, France's ranking within this hierarchy remains more or less static (Table 1). Thus, the business turnover contribution of the cultural industries to the market sector varies from around 2.3% in the UK to 1% in Lithuania in 2011, with France coming in at 1.7%, slightly above the European average of 1.6%. In terms of the number of businesses in the market sector, the proportion of cultural businesses in France is around the European average (2.9%). Finland and Denmark have the highest proportion of cultural industry employees within the market sector (2.7%) and Italy the lowest (1.2%), with France (2%) and particularly the UK (2.6%) once again coming in above the European average (1.7%).

Figure 1 – The cultural industry's value-added contribution to the market sector, 2011

As a %



NB: Only countries for which data is available are included here The "EU28" estimate relates to the whole of the European Union.
Scope: market sector businesses.

Sources: Eurostat/DEPS, French Ministry of Culture and Communication, 2014

Table 1 – Impact of the European cultural industries on the market sector, 2011

	EU28	France	Germany	UK	Italy
Number of businesses	622,870	73,489	56,473	46,467	68,579
Value-added *(millions of euros)*	139,836	23,400	29,725	30,799	11,299
Gross operating surplus *(millions of euros)*	57,307	7,098	14,909	14,465	5,335
Turnover *(millions of euros)*	388,779	62,220	71,107	79,637	35,085
Number of employees (FTE)	1,700,892	232,147	321,141	381,228	103,825
Share of all market sectors *(as a %)*					
Number of businesses	3.0	2.9	2.6	2.7	1.8
Value-added	2.3	2.6	2.1	3.2	1.7
Gross margin	2.3	2.9	2.8	3.0	1.7
Turnover	1.6	1.7	1.3	2.3	1.2
Number of employees (FTE)	1.7	2.0	1.6	2.6	1.2

NB: France is one of the four highest contributors to cultural industry value-added in Europe, along with Germany, the UK and Italy.
Scope: market sector businesses.

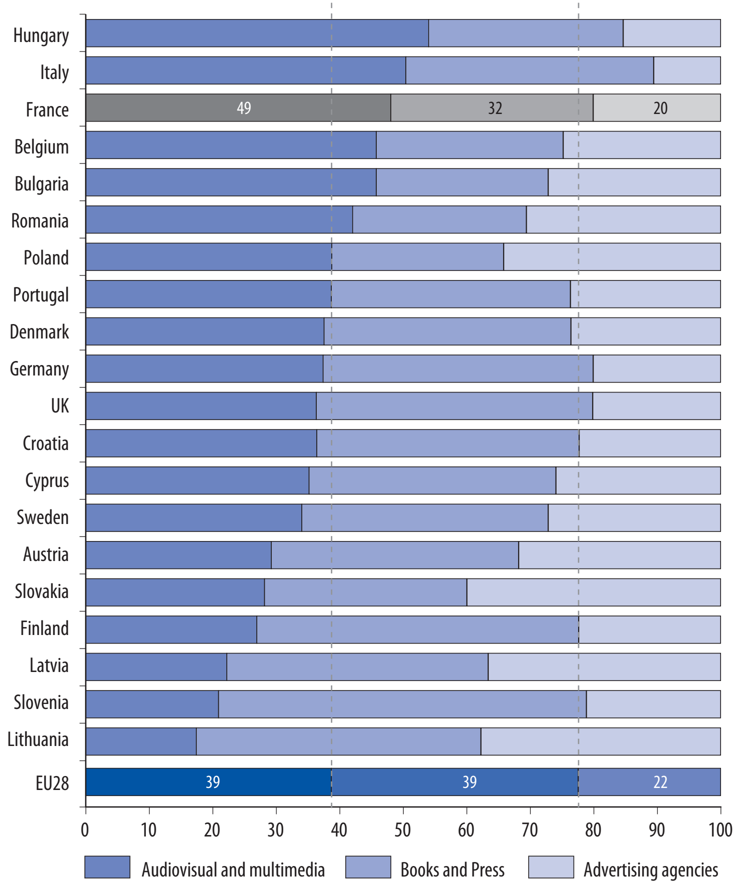
Sources: Eurostat/DEPS, French Ministry of Culture and Communication, 2014

Impact of audiovisual sector greater in France

The cultural industries can be divided into three discrete areas of activity: audio-visual-multimedia, printing (which includes book and press-related activities) and advertising agencies (see Source and Scope, p. 16). Audiovisual-multimedia and the print sectors both make the greatest value-added contribution to Europe's cultural industries (39% each). The areas are respectively underpinned by television programming and broadcasting on the one hand and the press on the other hand (newspaper, magazine, journal and periodical publishing). Advertising agency activities on the hand account for a little less than a quarter (22%) of the European cultural industries' value-added (Figure 2).

Figure 2 – Distribution of value-added across the cultural industries, 2011

As a %



NB: In France the audiovisual and multimedia sectors accounted for 49% of the cultural industries' value-added in 2011.
Scope: market sector businesses.

Sources: Eurostat/DEPS, French Ministry of Culture and Communication, 2014

The cultural industries may be governed by national regulatory and fiscal frameworks, and are structured differently from country to country. In certain countries, audiovisual accounts for a markedly higher proportion than the European average, in contrast with that of the book and press sectors. This is the case for instance in France (49% for audiovisual and 32% for books and press), in Italy, Hungary and Belgium. Other countries on the other hand see a similar weighting for both audiovisual and print sectors (around 40% each in Germany and the UK, around 38% in Portugal and Denmark). Elsewhere, in countries such as Finland and Slovenia, books and press predominate (58% of value-added in Slovenia and 50% in Finland). Finally, in Slovakia, advertising makes the greatest contribution to the value-added of the cultural industries (39% for advertising) due to the relatively low weighting of audiovisual and books.

Table 2 – Distribution of value-added across the cultural industries, 2011

As a %

	EU28	France	Germany	UK	Italy
Production and distribution of films, videos and television programmes	16	27	10	15	14
Sound recording and music publishing	2	2	5	2	1
Radio TV	20	18	22	19	35
Publishing of computer games	1	2	1	1	0
Audiovisual total	**39**	**49**	**38**	**37**	**51**
Book publishing	7	5	7	7	7
Newspaper publishing	11	8	17	8	12
Publishing of magazines and periodicals	11	10	11	16	6
Retail sales	5	6	5	4	10
Translation and interpreting	2	1	1	0	2
News agency activities	3	2	1	8	1
Total for books and press	**39**	**32**	**42**	**43**	**38**
Total for advertising agencies	**22**	**20**	**20**	**20**	**11**
Total for cultural industries	**100**	**100**	**100**	**100**	**100**

Scope: market sector businesses.

Sources: Eurostat/DEPS, French Ministry of Culture and Communication, 2014

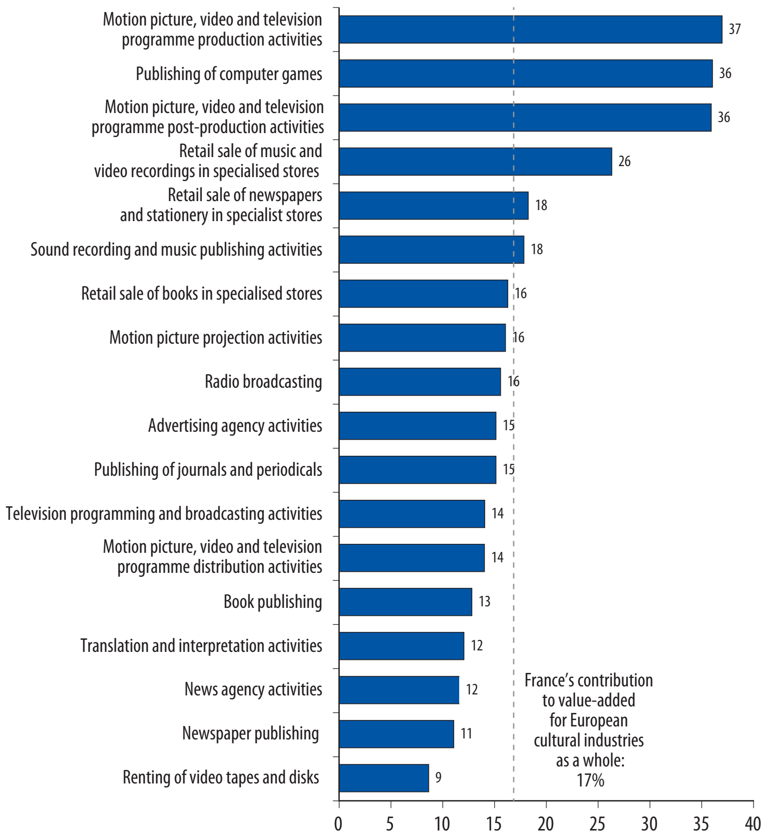
Computer games and audiovisual production: France's economic influence in Europe

When comparing countries against each other, it can be helpful to look at a country's contribution to European value-added on a sector-by-sector basis, as it may be far higher than its global significance within the economy.

Thus, whilst France's relative contribution to the value-added of the European cultural industries was around 17% in 2011, it makes an outstanding contribution in terms of film, video and television programmes (37% of European value-added for this sector, with Warner Bros Entertainment France, Studiocanal, EuropaCorp[1]) and computer games publishing (36% of European value-added for this sector with Ubisoft, Blizzard, Gameloft) (Figure 3). The audiovisual sector in France benefits from a variety of public and private sources of support such as the automatic and selective grants awarded by the *Centre national du cinéma et de l'image animée*, from the national terrestrial cinema channels' investment commitments, as well as a system of financial advances on receipts via the national SOFICA scheme (*Société pour le Financement du Cinéma et de l'Audiovisuel*, the company for the financing of films and audiovisual works).

Figure 3 – France's contribution to value-added for each cultural industry sector in Europe, 2011

As a %



NB: In 2011 the value-added of video games in France accounted for 36% of European value-added for this sector, whilst France's contribution to the value-added of cultural industries as a whole was 17%.
Scope: market sector businesses.

Sources: Eurostat/DEPS, French Ministry of Culture and Communication, 2014

1. In this paragraph, businesses cited are those with the highest turnover for their sector (Source: INSEE-ESANE 2011, industry records).

Conversely and in spite for major international groups such as Hachette, Prisma, Mondadori, France makes little contribution in Europe in the book and press sectors, less in any case than the cultural industries as a whole.

Business for French advertising agencies (Adrexo, Publicis Conseil, Altavia Paris) takes a downturn during periods of economic uncertainty as companies tend to restrict their investment in communications[2]. In France, in 2009, the value-added for advertising agencies took a sharp downturn (down 6% on 2008), but it fared rather better than other countries such as the UK and Italy (down 20% and 17% respectively). Since then, the value-added achieved by French advertising agencies has increased, and by 2011 had returned to a level similar to that of 2008.

Strong presence in Europe for UK news agencies

British news agency activities concentrate two thirds of the sector's European value-added, whilst the UK itself accounts for 22% of the European cultural industries' overall value-added (Figure 4). Thanks to a strong stock exchange in London and the company's focus on financial news[3], the Reuters agency has risen to become the world's second largest news agency, second only to the US's Associated Press.

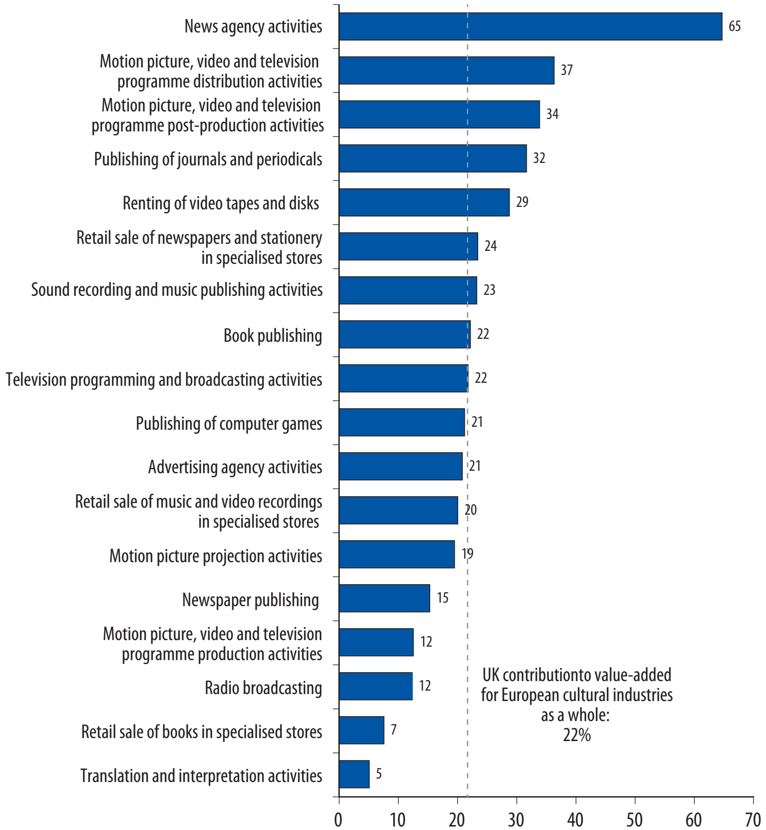
Moreover, in the European Union, UK activity accounts for up to 37% of motion picture, video and television programme distribution. Joint productions with the American giants, audiovisual producers and distributors such as the British Broadcasting Corporation (BBC) or British Sky Broadcasting Group plc (BSkyB), along with the British predilection for costume dramas[4] go some way to explaining the UK's share of the European audiovisual sector. Since 1994, part of the profits generated by the British National Lottery have been allocated to the arts, cultural heritage, sport and good causes by the Minister For Culture Media and Sports. For example, certain projects by the British Film Institute are supported by national lottery funds, in the same way as some profits from the French lottery (*Française des jeux*) and sports betting are channelled into the *Centre national de développement du sport* to assist with sports financing[5].

Finally, the UK makes a 32% contribution to the magazine and journal publishing sector. According to a Eurobarometer survey, the UK has one of the highest non-mandatory reading levels (80% of British people read at least one book in 2012, as compared with the European Union average of 68%). Pearson Plc, the world-leading publishing, press and education group (which includes the Financial Times Group, Penguin Group, Pearson Education and part of the Economist Group) is a major international player.

2. For further details on changing communications expenditure and the distribution of the advertising market across the various media, see the *Association des agences-conseils en communication* (AAC) website.
3. Henri Pigeat, "L'avenir des agences de presse", *Commentaire*, n° 129, 2010/1, Spring 2010.
4. See the CSA publication: *Audience des programmes de fiction dans les grands pays européens entre 2009 et 2012*, October 2013.
5. *Centre national pour le développement du sport*, founded in 2006 under the aegis of the French Minister responsible for Sports, Youth, Popular Education and Community.

Figure 4 – UK contribution to value-added in each European cultural industry sector, 2011

En %



NB: In 2011, value-added for news agencies in the UK amounted to 65% of European value-added for this sector, whilst the UK contribution to value-added for the European cultural industries overall is 22%.
Scope: market sector businesses.

Sources: Eurostat/DEPS, French Ministry of Culture and Communication, 2014

Britain's major weekly publications include the Sun on Sunday (around 1.7 million copies sold each week in February 2014[6]), the *Mail on Sunday* (around 1.5 million sold each week in February 2014) and *The Economist* (weekly sales figures of around 1.6 million copies in 2012[7]). By way of comparison, France's main weekly non-specialist press publications include *Paris Match* (around 690,000 copies sold in 2011[8] and 575,000 in 2013), *Le Nouvel Observateur* and *L'Express* (each selling around 530,000 copies in 2011; 500,000 and 420,000 respectively in 2013).

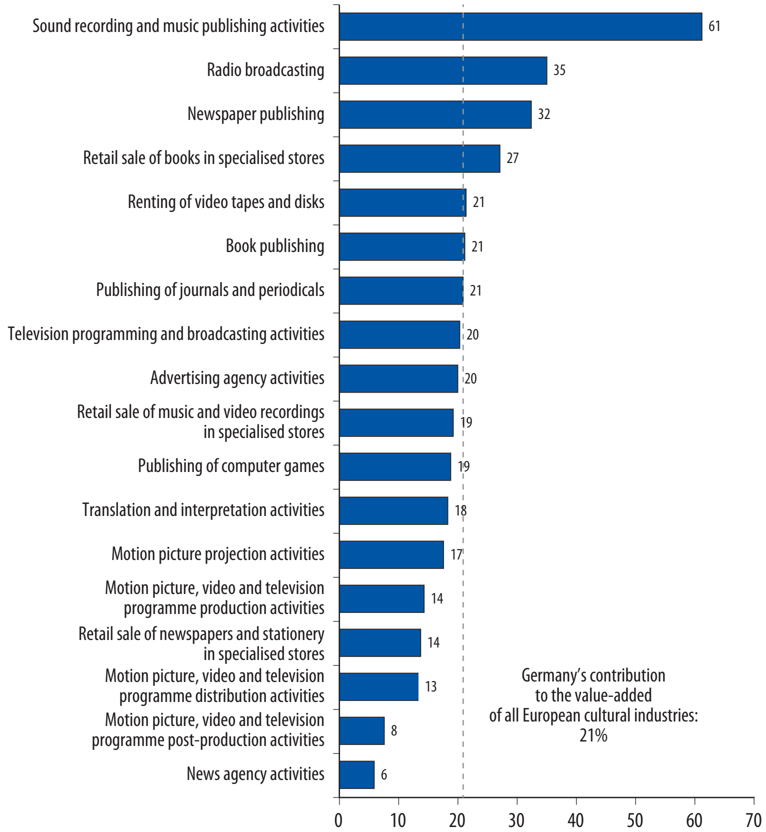
6. Source: ABC (Audit Bureau of Circulations), media monitoring body.
7. Source: Press article on *The Economist Group website*, 18 June 2012.
8. Source: OJD, French media circulation monitoring body.

… German recorded music and newspapers…

Germany's dominant cultural industries differ somewhat: as a country it makes the highest contribution to value-added as generated by sound recordings and music publishing, concentrating 61% of European value-added for the sector (whilst accounting for 21% of value-added for the cultural industries overall). (Figure 5). The annual turnover for Germany's music publishing industry was estimated at 1.5 billion euros in Germany for 2013, three times that of French music publishing[9]. With a 9%

Figure 5 – Germany's contribution to value-added for each cultural industry sector in Europe, 2011

As a %



NB: In 2011, the value-added of sound recordings and music publishing in Germany accounted for 61% of European value-added for this sector, whilst Germany' contribution to the value-added of Europe's cultural industries as a whole was 21%.
Scope: market sector businesses.

Sources: Eurostat/DEPS, French Ministry of Culture and Communication, 2014

9. See "Le marché de la musique en Allemagne", SNEP (http://www.snepmusique.com/actualites-du-snep/le-marche-de-la-musique-en-allemagne-retrouve-la-croissance/).

market share, the German music industry ranks third in the world behind the United States (29%) and Japan (27%), thus outstripping the UK[10].

Germany is outstanding for the pre-eminent position of the press, newspaper publishing in particular, (accounting for one third of European value-added), major publications being the top European-selling tabloid, *Bild*, (owned by Germany's largest press group Axel Springer Verlag, averaging a circulation of 3 million copies in 2011), along with the *Hannoversche Allgemeine Zeitung* (with a circulation of around 570,000 copies in 2011). In total, over 18 million newspapers a day were sold in Germany in 2012. By way of comparison, France's biggest-selling publications in 2011[12] were the regional dailies *Ouest France* (France's highest selling newspaper, with a circulation of 760,000) and *Sud-Ouest* (circulation of over 290,000), and the national dailies *Le Figaro* (334,000 copies) and *Le Monde* (circulation of around 325,000). According to a Eurobarometer survey[13], almost half of Europeans read a newspaper between 5 and 7 times per week. Germany has the highest readership level at around 65% of the population. One of the distinctive characteristics of the German market is the absence of free daily newspapers[14]. Another indicator of the importance accorded the German press is the proportion of advertising expenditure going to newspapers: in 2012 this accounted for 31% of the country's advertising budget, as compared with 18% in the UK[15].

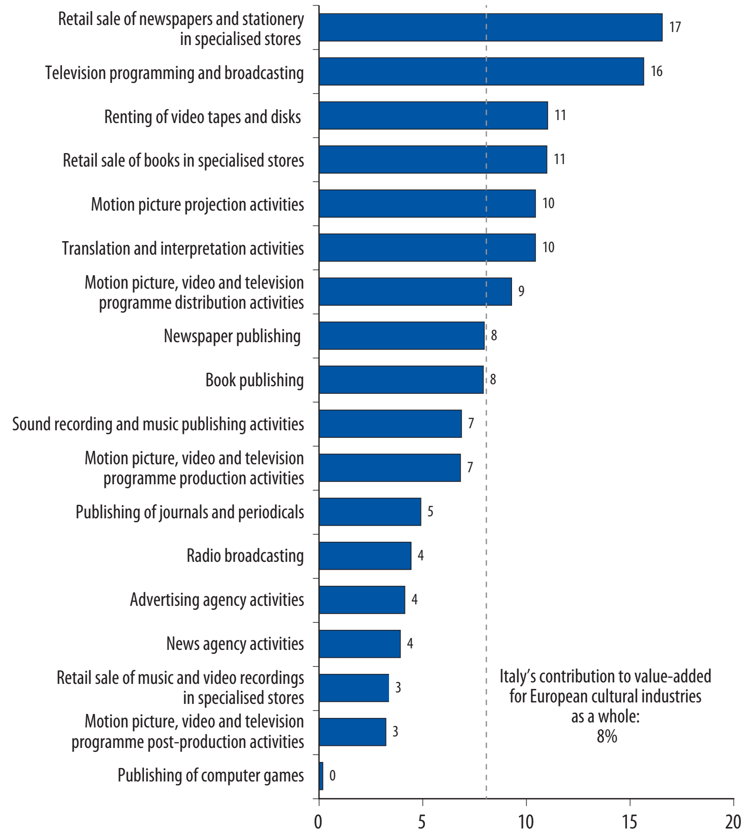
… and Italian television programming and broadcasting

In Italy, after retail sale of newspapers and stationery in specialist stores, it is their television programming and broadcasting sector that makes the greatest contribution to European value-added (16%, i.e. twice the contribution of Italy to the cultural industries as a whole) (Figure 6). This is higher than France (14%), whereas Italy's contribution to European value-added is half that of France. The contribution of these two particular sectors alone exceeds that of all Italian market sectors put together (11%). Italy's major television channels are part of the publicly-owned *Rai* group (fifteen channels including Rai Uno) and the Mediaset group (which includes the private broadcast channels *Canale 5* and *Italia 1*). Within the Italian cultural industries, the other sectors making a significant contribution to European value-added are video tapes and disks rental (11%), the retail sale of books in specialised stores (11%) and the projection of motion pictures (10%). With its major national newspapers the *Corriere della Sera* (daily

10. See Solène HAZOUARD, "Quel avenir pour l'industrie du disque en Allemagne ?" (http://rea.revues.org/4131).
11. Source: The Federation of German Newspaper Publishers BDZV (Bundesverband Deutscher Zeitungsverleger).
12. Source: *Chiffres clés, statistiques de la culture*, Paris, French Ministry of Culture and Communication, DEPS/La Documentation française, 2013.
13. See "La participation des Européens aux activités culturelles", Eurobarometer survey, April 2002.
14. See Cécilia BERTHAUD, Vincent MENUET, François AUVIGNE, "La situation de la presse quotidienne dans quatre pays européens: Allemagne, Espagne, Royaume-Uni, Suède", IGF, nº 2008-M-061-01, November 2008; and Valérie ROBERT, *la Presse en France et en Allemagne. Une comparaison des systèmes*, Paris, Presses Sorbonne Nouvelle, 2012.
15. Sources: Institut de recherches et d'études publicitaires (IREP), AA/WARC Expenditure Report et ZAW, IAB Europe, WARC.

Figure 6 – Italy's contribution to value-added for each cultural industry sector in Europe, 2011

As a %



NB: In 2011, the value-added for television programming and broadcasting in Italy accounted for 16% of European value-added for this sector, whilst Italy's contribution to the value-added of the cultural industries as a whole was 8%.
Scope: market sector businesses.

Sources: Eurostat/DEPS, French Ministry of Culture and Communication, 2014

sales of 480,000 copies in 2011[16]) and *La Repubblica* (440,000 copies a day in 2011) the contribution of the Italian press to European value-added is on a par with the average for the cultural industries.

16. Source: *Accertamenti Diffusione Stampa* (ADS).

In both the cultural industries and the rest of the economy, France's economic profitability is lower than that of Europe

The dominant cultural industries varies from one country to another. Just as business size, profitability and productivity varies from one sector to the another, the national structure of cultural industry production has an influence on the level of these economic performance indicators: for example, newspaper publishing companies are on average ten times larger than audiovisual production companies; therefore the average size of cultural businesses in the country where publishing predominates will be higher than that of a country where the audiovisual sector commands a comparable share.

One of the most commonly-used indicators of economic profitability is the profit margin, whereby the gross operating surplus is equated with value-added, i.e. measuring the percentage of value-added achieved by businesses after taking into account salary costs and taxes on production.

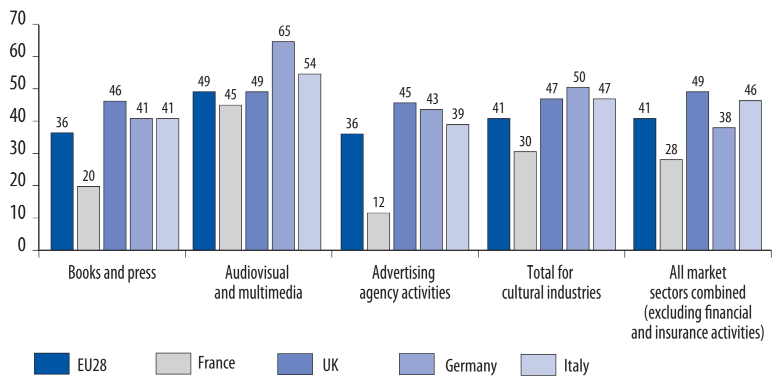
Across all economic sectors (industry, services, trade), the margin rate of French businesses falls below the European average. This is a well-known and enduring result, which is, on the one hand, explained by the large proportion of salaried work (in comparison with other countries such as Italy, where unsalaried employment is far more frequent in such sectors), and, on the other hand, by costs relating to production issues, both capital (through taxes on production) and labour (essentially non-salary -related costs, aimed at maintaining the French social welfare model[17]). The cultural industries are no exception: average French margin rates (30%) are far lower than the European average (41%) (Figure 7). The lower performance of the French cultural industries is not down to the particular structure of the sectors in France, in which the audiovisual predominates, as the margin rate in this sector is higher than that of other French cultural sectors. For any given sector (books and press, audiovisual, advertising agencies), the French profit margin is invariably lower than the European average, with the exception of motion pictures and television programmes.

The field of multimedia and audiovisual activities is the most profitable cultural industry, particularly video games publishing (sustaining a high profit margin: businesses retain 72% of value-added, after payment of salary costs and production related taxes), as is the distribution and production of motion pictures and television programmes production (margin rates of 61% and 50% respectively). On the other hand, France sees particularly poor performances in the books and press sectors: 20% as compared with the European average of 36%, with very low profit margins for book publishing (3%) and news agencies (13%). Indeed these cultural fields are financially precarious. The increasingly free flow of information and the move towards digitisation have played a role in undermining the position of the daily newspaper, despite investment initiatives[18]. The book publishing sector has shown itself somewhat more

17. European Commission, "Déséquilibres macroéconomiques-France 2014", March 2014 (http://ec.europa.eu/economy_finance/publications/occasional_paper/2014/pdf/swd_178.pdf).
18. Catherine SOUQUET, "L'édition en 2011 : la presse quotidienne fragilisée", *INSEE Focus*, Nº 1, February 2014. Pierre-Jean BENGHOZI, Inna LYUBAREVA, "La Presse française en ligne en 2012 : modèles d'affaires et pratiques de financement", Paris, Ministère de la Culture et de la Communication, DEPS, "Culture Studies" collection, 2013-3.

Figure 7 – Profit margins for the main areas of the cultural industries, 2011

As a %



Scope: market sector businesses.

Sources: Eurostat/DEPS, French Ministry of Culture and Communication, 2014

robust, with margin rates on a par with the cultural industry average (29%), but they are once again markedly lower than the European average of 40%.

In the news agency field, there is little diversity of business activity; it is based on the provision of intellectual services at a particularly high cost, representing a considerable proportion of its production value. This is similarly the case for advertising agencies and, more generally, service activities which rely on the provision of skilled intellectual services, which are unlikely to benefit from the reductions in charges which have successively been introduced since 1993. Such plans have been aimed at sectors whose average salaries are generally at the lower end of the scale[19].

… and a slightly lower value-added rate

Another economic indicator, the ratio of value-added to turnover exclusive of tax is however not directly related to performance. Inasmuch as value-added is itself calculated on the basis of turnover minus intermediate consumption, this ratio allows us to measure a company's own contribution to production value, in other words, using production to evaluate a company's own value-added. A low figure indicates that a business has a high input consumption in order to produce what it sells, whereas a high figure is the sign of a business which creates a lot of value from its production. This may signify that it performing well in this regard, i.e. that it consumes little and produces a lot, or indeed that it has integrated all the requisite inputs into its own chain of production. Conversely, a business which outsources a lot will have a low

19. Coe-Rexecode, "Les enjeux de la compétitivité des services de prestations intellectuelles pour la compétitivité globale", January 2014.

value-added rate, although it often does so with a view to increasing its profitability. So rather than a performance indicator, it is more an indication of a company's level of integration into a given production sector.

Regardless of country, the value-added rate for the cultural industries is much higher than for the market sector as a whole: cultural production is far more integrated than traditional industrial production, which has long relied upon subcontracting for tertiary activities (Figure 8). Nevertheless, compared with other market services (e.g. trade, hotels, catering, etc.), cultural services such as audiovisual, press, books and advertising have much lower value-added rates, evidence of the fact that their production processes involves a considerable proportion of product transformation in the manufacturing sector, thereby justifying to certain extent these services being referred to as an industry.

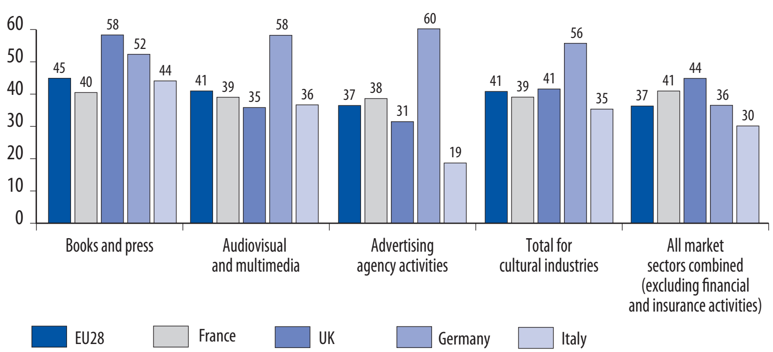
Within the European Union, the value-added rate is especially high in the areas of book publishing, press, audiovisual and multimedia activities (around 45%), and particularly for news agency activities (64%) and radio broadcasting (55%).

In France, the specific contribution of cultural businesses to production value is slightly lower than the European average for audiovisual activities. More specifically, the production and postproduction sectors boost the value-added rate. Conversely, the production process for both the books and television programming and broadcasting sectors results in a value-added rate below the European average. Expenditure on intermediate consumption by French businesses in these sectors therefore appears to be higher than it is for other countries. Unfortunately, the available Eurostat data is not sufficient to give a clear breakdown of these expenses or form the basis of a country-by-country comparison.

In Germany, value-added levels are particularly high, evidence of a cultural industry which is highly integrated within a single production sector, suggesting little purchasing outside of the cultural groups. Advertising agency activity has the highest level of value-added (23 points above the European average, 22 points higher than in France).

Figure 8 – Value-added across the cultural industries, 2011

As a %



Scope: market sector businesses.

Sources: Eurostat/DEPS, French Ministry of Culture and Communication, 2014

In the UK, the value-added rate for books and press is especially high (58%), putting it some 13 points above the European average, and 18 points above the French average.

On the other hand, for each field of the cultural industries, as indeed for all market sectors, Italy's value-added rate falls below the European average.

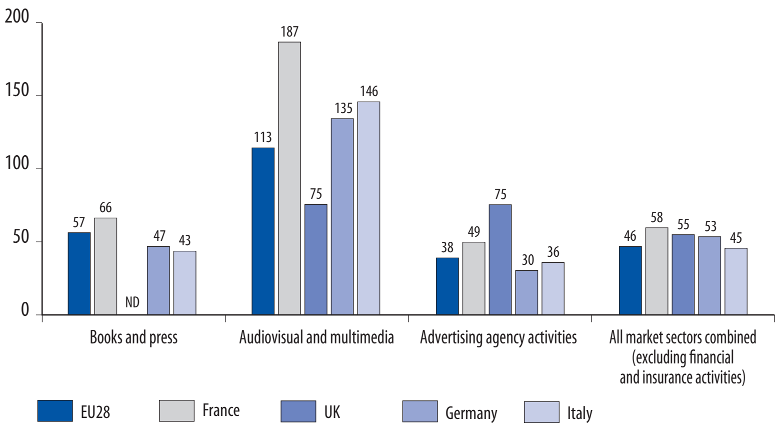
… but a higher apparent labour productivity level

At European level, apparent labour productivity (value-added per person employed) is especially high in the audiovisual sector, particularly in motion picture and television distribution and television programming and broadcasting. On the other hand, it is lowest for advertising agency activities and certain areas of books and press publishing such as translation and interpretation activities (Figure 9).

In France, the high cost of production factors is compensated for by increasing productivity over the last 20 years. Consequently, apparent labour productivity in France is above the European average. This is the case for all cultural industry sectors, excepting only news agency activities and journal and periodical publishing. France's highest apparent labour activity rate is in motion picture and television production, in which each worker's value-added rate is almost four times the European sector average.

Figure 9 – Apparent labour productivity across the cultural industries, 2011

As a %



Scope: market sector businesses.
N/D: No data available.

Sources : Eurostat/DEPS, Ministère de la Culture et de la Communication, 2014

Source and Scope

Eurostat's Structural Business Statistics (SBS)

Each year, Eurostat publishes the major European economic data for market sector businesses (known as structural business statistics, or SBS[20]). It uses data submitted by the various statistical offices of its member states, as well as Eurostat's own estimations for the European Union as a whole. French data is supplied to Eurostat by INSEE.

In accordance with the European regulation concerning structural business statistics (The SBS Regulation), its statistical scope covers sections B to N of the Statistical Classification of Economic Activities in the European Union (NACE), i.e. industry, construction, distributive trades and services. Certain cultural sectors are not covered: the arts, entertainment and recreation (section R of the NACE, along with the performing arts, support activities to the performing arts, visual arts and cultural heritage) plus cultural education (section P) which are largely non-market-economy activities. The SBS Regulation only covers businesses; consequently, public bodies and associations are excluded.

Eurostat does not include all accounting ratios, as certain data is not available for all countries. This study therefore only discusses profit margins, value-added rates and productivity rates; there is not sufficient or reliable enough data to adequately examine the issues of profitability or subsidies.

The cultural industries in the statistical field of culture

The Statistical Classification of Economic Activities in the European Union (NACE 2008, Rev. 2) was established by Regulation (EC) no. 1893/2006 of the European Parliament and of the Council of 20 December 2006. It is a statistical framework for classifying businesses according to their primary activity. On the basis of this classification system, a harmonised definition of the statistical field of culture was drawn up, following European studies[21] conducted between 2009 and 2011.

Cultural Industries

Books and press

- **58.11** Book publishing
- **58.13** Publishing of newspapers
- **58.14** Publishing of journals and periodicals
- **63.91** News agency activities
- **47.61** Retail sale of books in specialised stores
- **47.62** Retail sale of newspapers and stationery in specialised stores
- **74.30** Translation and interpretation activities

Audiovisual/multimedia

- **59.11** Motion picture, video and television programme production activities
- **59.12** Motion picture, video and television programme post-production activities
- **59.13** Motion picture, video and television programme distribution activities
- **59.14** Motion picture projection activities
- **59.20** Sound recording and music publishing activities
- **60.10** Radio broadcasting
- **60.20** Television programming and broadcasting activities

20. For an overview of structural business statistics, see the Eurostat website: http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Structural_business_statistics_overview/fr

21. See Valérie DEROIN, *Conceptualisation statistique du champ de la culture*, Paris, Ministère de la Culture et de la Communication, DEPS, "Culture méthodes" collection, 2011-3, December 2011.

58.21 Publishing of computer games
47.63 Retail sale of music and video recordings in specialised stores
77.22 Renting of video tapes and disks

Advertising
73.11 Advertising agencies

Other activities

Architecture
71.11 Architectural activities

Visual arts
74.10 Specialised design activities
74.20 Photographic activities
90.03 Artistic creation

Cultural education
85.52 Cultural education

Performing arts and related activities
90.01 Performing arts
90.02 Support activities to performing arts
90.04 Operation of arts facilities

Cultural heritage
91.01 Library and archives activities
91.02 Museums activities
91.03 Operation of historical sites and buildings and similar visitor attractions

More specifically[22], in the books and press publishing field:

- book publishing (58.11) This class includes the activities of publishing of books in print, electronic (CD, electronic displays etc.) or audio form or on the Internet.
- publishing of newspapers, including advertising newspapers (58.13), appearing at least four times a week. Publishing can be done in print or electronic form, including on the Internet.
- publishing of journals and periodicals (58.14) includes magazine, journal and periodical publishing, covering technical, professional or general interest subjects and appearing less than four times per month. This information may be published in printed or electronic form, including online;
- News agency activities (63.91) includes the collection, compilation and communication of written, photographic and audiovisual information to the media;
- retail sale of books in specialised stores (47.61) includes the retail sale of books of all description;
- retail sale of newspapers and stationery in specialised stores (47.62) also includes the retail sale of office supplies such as pens, pencils pay, paper, etc;
- translation and interpretation activities (74.30) includes the activities of translation and interpreting.

22. Nomenclature d'activités et de produits française, NAF (French activities and products classification) Rev. 2 – CPF Rev. 2, 2008 edition, INSEE.

More specifically, in the audiovisual and multimedia field:

- motion picture, video and television programme production activities (59.11) also includes film studio activities;
- motion picture, video and television programme post-production activities (59.12) also includes activities such as editing, film/tape transfers, titling, subtitling, credits, closed captioning, computer-produced graphics, animation and special effects, dubbing, developing and processing motion picture film, as well as activities of motion picture film laboratories and activities of special laboratories for animated films;
- the distribution of motion pictures, videos and television programmes (59.13) includes the creation of duplicate prints and the reproduction of audio and videotapes, CDs or DVDs from master copies;
- motion picture projection activities (59.14) also includes the projection of video tapes in cinemas, outdoors or in other projection facilities and cine-club activities;
- recording and music publishing activities (59.20) includes the creation of original (sound) master recordings on tapes, cassettes and CDs, the releasing, promoting and distributing of sound recordings to wholesalers, retailers or directly to the public, sound recording service activities in studios or elsewhere, including the production of recorded radio programs, music publishing activities and the publishing of sheet music and books of musical scores;
- radio programming (60.10) includes radio channel production, consisting of the creation of content in the form of programme scheduling (or complete programmes) for radio prior to broadcast or making the requisite arrangements for broadcast or distribution by third parties, radio network activities, radio broadcast activities via the internet and data broadcasting integrated with radio broadcasting;
- television programming and broadcasting activities (60.20) includes television channel production, consisting of the creation of content in the form of programme scheduling (or complete programmes) for television prior to broadcast or making the requisite arrangements for broadcast, the broadcast of free-to-view programmes, programs available via subscription only, video-on-demand channel activities, and data broadcasting integrated with television broadcasting;
- publishing of computer games (58.21) includes the publishing of computer games software for all platform types, made available on hardware, via download or online;
- retail sale of music and video recordings in specialised stores (47.63) includes the retail sale of music records, audiocassettes, CDs, cassettes, videocassettes, DVDs, tapes, and blank discs;
- renting of video tapes and disks (77.22) includes the rental of pre-recorded videotapes, discs, CDs, DVDs, etc. for domestic use and the rental of videogames.

Advertising agency activities (73.11) include the creation and realisation of advertising campaigns, the conducting of marketing campaigns and other advertising services aimed at attracting and retaining customers, the creating and placing of static or mobile posters, the management and upkeep of advertising billboards. These activities do not include media advertising activities.

Read more

CC 2014-5

The Direct Economic Impact of Culture in 2013

Yves Jauneau, Xavier Niel

October 2014, 20 p.

In 2013, the direct economic impact of culture, i.e. the total value-added of all areas of culture, amounted to some 44 billion euros. This does not take into account any indirect economic knock-on effects or those generated by culture, such as tourism for example.

Thus calculated, culture accounts for 2.3% of the economy as a whole, down slightly on 2012.

This relative drop in 2013 was impacted by slower business activity in the more competitive sectors of architecture, advertising and audiovisual, as well as in the areas of press and book publishing. On the other hand, rising prices within the non-commercial sectors (e.g. live entertainment, cultural heritage) have helped boost their share of the cultural market.

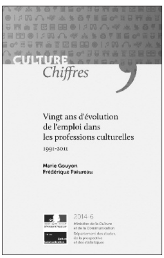
Of those sectors most affected by the 2013 downturn, the audiovisual and advertising agency sector saw renewed growth in their turnover at the start of 2014, in contrast to the architecture and photographic sectors. Moreover, further increases in production costs for magazine and book publishing businesses have also been seen.

CC 2014-6

Twenty Years of Changing Employment Patterns in the Cultural Professions (1991-2011)

Marie Gouyon, Frédérique Patureau

October 2014, 24 p.



The cultural professions, including professions of the performing and visual arts, artistic professions, journalists, writers, curators, librarians, architects, art teachers, etc: all constitute a particularly heterogeneous group from the point of view of their workforce, as well as the legal framework in which they operate, the employment statuses of their workers or indeed the skills and knowledge which they deploy. The one thing they have in common, however, is that they have expanded considerably over the course of the last twenty years.

In the early 1990s, 381,000 individuals were reportedly working principally in a cultural profession. Some twenty years later, they now number 573,000, a 50% increase. At the same time, the total active population in employment has increased far more moderately (up 16%). The proportion of cultural professions as a percentage of the active workforce has therefore increased markedly, to total 2.2% in 2011

The cultural workforce has a majority male population, although it is gradually opening up to women, whilst the existing trend for such employment to be concentrated in the Ile-de-France area is diminishing. More highly educated than the working population as a whole, cultural professionals are more likely to be working as freelancers, whilst its salaried population is seeing existing employment patterns breaking down, with part-time working and short contracts an increasing trend.

Key Figures
Cultural Statistics 2014

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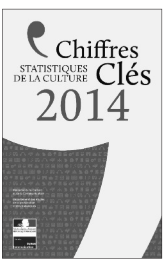

Taking a statistical view of culture allows us to evaluate the abundant richness of creation, the artistic offering and the diversity of artistic and cultural practices in France.

62 million visitors to France's 1200 museums, 2.8 million visitors to its 23 regional contemporary art foundations and 49 contemporary art centres. 14,000 sites classified as historic monuments, 1,000 archaeological sites in 2012 and over 2 million documents within municipal, departmental, regional and national archive services.

Over 1000 opera performances attracting audiences of over 1.4 million each season. Five national theatres, 70 national performance centres, 17 Zénith centres, 39 national drama centres, over 100 subsidised performance spaces and several hundred privately-owned performance and projection spaces… plus thousands of festivals each year in France.

Over 2000 cinemas, around 16,000 public lecture spaces and 500 music and dance conservatories where children and adults can be trained in music, dance and theatre.

France has a rich and varied cultural offering.

Key Figures 2014 offers an objective approach to the subject, thus constituting a vital tool for our understanding of the cultural field.

Résumé

Les industries culturelles en France et en Europe : points de repère et de comparaison

En 2011, la part des industries culturelles (audiovisuel et multimédia, activités liées au livre et à la presse, services des agences de publicité) dans l'ensemble de l'économie marchande est de 2,6 % en France, l'une des plus élevées d'Europe. Supérieure à celle de l'Allemagne (2,1 %), elle reste toutefois inférieure à celle des industries culturelles au Royaume-Uni (3,2 %).
En France, l'audiovisuel et le multimédia contribuent majoritairement à l'activité des industries culturelles, à la différence de l'Allemagne et du Royaume-Uni où le livre et la presse prédominent. Certaines activités françaises comme le jeu vidéo, la production et la postproduction de films cinématographiques, de vidéos et de programmes télévisés contribuent pour plus d'un tiers de l'ensemble de l'activité au niveau européen. Les agences de presse sont en revanche principalement anglaises, tandis que l'Allemagne occupe une place très importante dans les secteurs du disque, de la radio et des journaux.
Comme dans tous les secteurs de l'économie marchande, la rentabilité des entreprises culturelles françaises, mesurée ici par leur taux de marge, est plus faible que celle de l'ensemble des entreprises européennes, du fait de coûts pesant sur les facteurs de production. Les secteurs de la presse et les agences de publicité présentent des taux de marge particulièrement faibles. Selon cet indicateur, les jeux vidéo et la production de films sont les secteurs culturels français les plus rentables, tandis qu'en Allemagne et au Royaume-Uni, ce sont plutôt les activités liées à la presse, et en Italie celles liées à la musique.

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In 2011, the cultural industries (audiovisual and multimedia, press and publishing-related activities, advertising agency services) accounted for 2.6% of France's entire market economy, one of the highest rates in Europe. This proportion is higher than Germany's 2.1%, but nevertheless remains lower than the UK's 3.2%.

n France, the audiovisual and multimedia sectors account for the largest proportion of cultural industry activities, unlike Germany and the UK where press and book publishing predominate. Certain French activities such as video games and production and postproduction for motion pictures, video and television account for more than a third of all such European cultural activity. News agencies are on the other hand predominantly English, whilst Germany makes a very considerable contribution to the recorded music, radio and newspaper sectors..

As in all sectors of the market economy, French cultural businesses are less profitable (measured here by their margin rate) than their European counterparts, due to factors of production cost issues. Publishing and advertising agencies show particularly low margin rates. On this basis, video games and film production prove France's most profitable cultural sectors, whilst in Germany and the UK they are press-related, and in Italy, music.

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