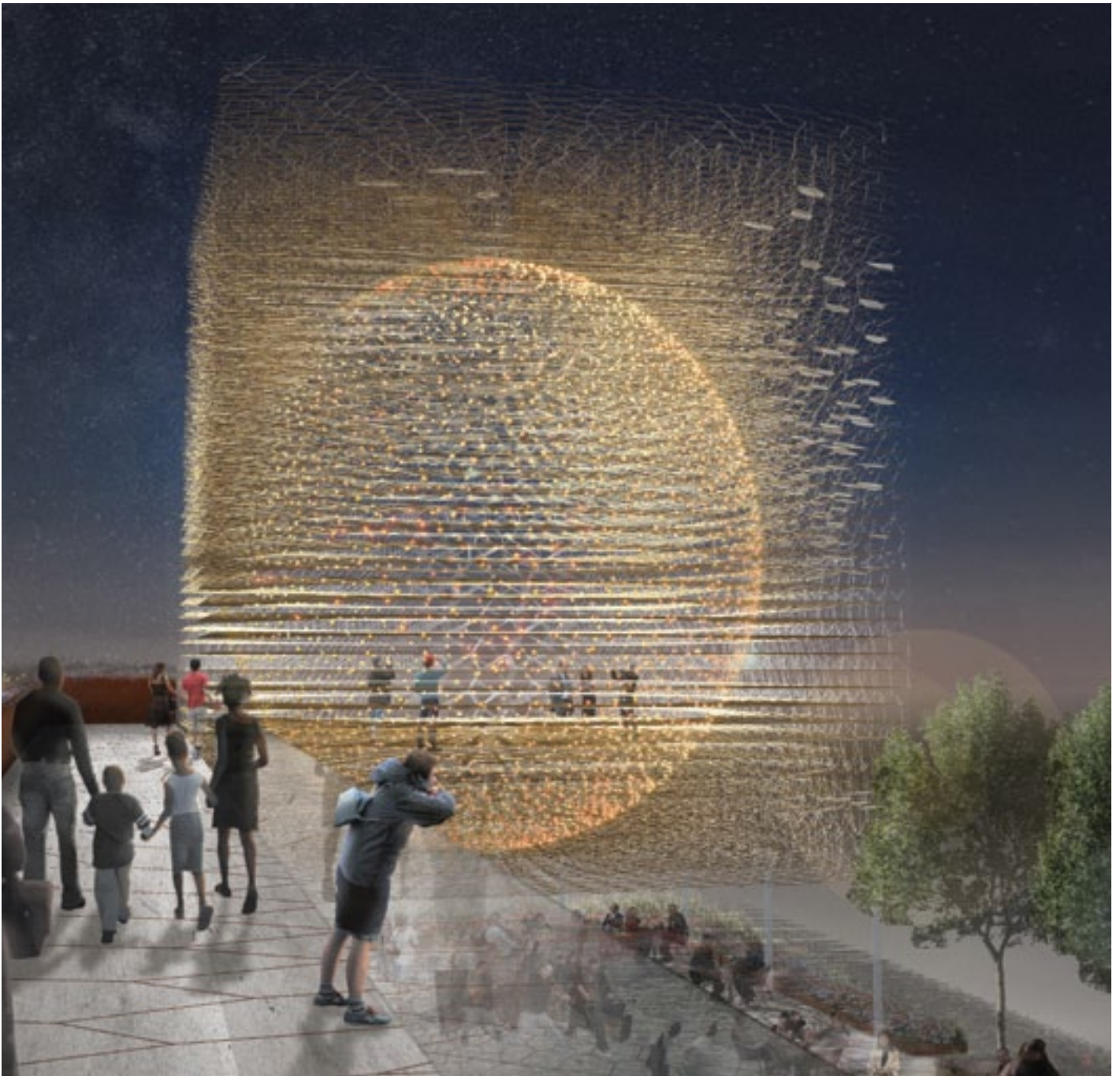




UK Trade
& Investment



UK Creative Industries – International Strategy

Driving global growth for the
UK creative industries

www.gov.uk/ukti
@UKTIcreative



Welcome



Department
for Culture
Media & Sport

Ed Vaizey

Parliamentary Under Secretary of
State for Culture, Communications
and Creative Industries

From the Beatles to Bond, J.K. Rowling to Norman Foster, and Sherlock to Stella McCartney, UK creativity is world-renowned. The talent, capability and demand for our creative industries has played an important part in underpinning the UK's economy.

Government is committed to supporting the energy, innovation, skills and talent in our creative industries so that it can harness the opportunities the international marketplace offers. That is why we have worked closely with industry to produce a five-year Strategy to ensure the UK's creative industries can continue to compete in the global race.

The UK Creative Industries International Strategy has been shaped by UK Trade & Investment (UKTI) in collaboration with its industry-led Creative Industries Sector Advisory Group – of which I am co-Chair. It is a partnership that has been fundamental to setting out a plan of ambitious targets that will drive growth and job creation in the UK's creative sector.

These targets include:

- doubling the value of exports from creative industries
- doubling the number of UK creative businesses that use UKTI services
- winning a greater share of inbound foreign direct investment, all by 2020.

I look forward to continuing to work with the Sector Advisory Group and companies across the sector to ensure that, together, government and industry deliver this ambitious Strategy for growth.



Tim Davie

Chief Executive Officer, BBC
Worldwide and Director, Global

As co-Chair of the Creative Industries Sector Advisory Group, I am delighted to endorse this Strategy, which will deliver a massive boost to UK creative exports and position the UK as the favoured location for creative inward investment.

This represents a real partnership between government and industry, which is essential to reaching out to our creative businesses and providing them with the right support to internationalise. It sets challenging targets for industry and government alike to ensure that the UK builds on our current creative success and continues to succeed in the increasingly competitive global environment.





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Left: Guangzhou Opera House, China, Zaha Hadid Architects

Below: *Grand Theft Auto V*, Rockstar Games/Rockstar North based in Scotland



Overview

A Strategy for international creative success



Over a period of seven months, UK Trade & Investment (UKTI) and the Creative Industries Sector Advisory Group – which includes representatives from across the UK’s creative industries – have undertaken a consultation with over 200 companies, individuals and other bodies in the UK’s creative sector to develop a Strategy that will help the sector grow exports and encourage inward investment.

The UK Creative Industries International Strategy forms part of the international work stream of the Creative Industries Council’s (CIC) strategy for growth. It will be delivered by government and industry and focus on new-to-export companies, current exporters seeking to further develop their international business and new trade and investment partnerships with global creative companies to access new high value opportunities.

Where are we now?

From film to fashion, games to software, music to media, advertising to architecture, the UK’s £71 billion creative sector is one of the UK’s most important industries, driving economic growth and supporting jobs across England, Northern Ireland, Scotland and Wales. The value of the sector increased by 15.6 percent between 2008 and 2012, compared with an increase of 5.4 percent for the UK economy as a whole. It is estimated that in 2012 the sector generated over £8 million an hour and employed nearly 1.7 million people¹.

Beyond Britain’s shores, UK creativity inspires the world with its stream of brilliant individuals and creative teams. Architects like Zaha Hadid, multi-faceted designers like Thomas Heatherwick and Priestmangoode, visual effects innovators Framestore and branding masterminds like Futurebrand are all examples of companies and individuals that have won the UK an international reputation for imagination, inspiration and ingenuity. In total the value of services exported by the creative industries stood at £15.5 billion in 2011, some eight percent of total UK service exports.

For more information on the success of the UK creative sector see ‘Creative UK in Figures’ on page 10 or www.thecreativeindustries.co.uk

¹ DCMS Creative Industries Economic Estimates, January 2014

£71bn

The UK's creative industries drive economic growth, support jobs and contribute £71 billion to the national economy

The challenge

The UK cannot take its international reputation for creative leadership for granted. The sector faces intense competition, not only from traditional competitors like North America and Europe, but from new sector rivals in fast growth economies whose governments also support the development of their creative industries.

To meet this challenge more UK creative companies need to be encouraged and supported to export. It is currently difficult to ascertain how many of the estimated 150,000 creative businesses in the UK export but from information available to UKTI and trade associations it is clear that far fewer actively export than could do so. Therefore by 2020 this Strategy aims to double the number of creative industries companies with which UKTI works and to focus more effort on winning high-value export business. Doing this will require close collaboration between public and private sectors, and improved data collection will be needed to accurately track and measure progress. Barriers to international business will also need to be identified and tackled.

The UK must also build on its reputation as one of the most attractive places for inward investment into the creative sector. The UK has the ability to create everything from best-selling bands to genre-defining video games and globally-loved TV formats, and the country's attractiveness is underpinned by its strength as a centre for international business and by a system of tax credits. With the competition for inward investment likely to increase in the coming years the UK must take steps to ensure it maintains its leading reputation as a magnet for global creatives.

The Government is determined to help the sector to grow and already provides a wide range of support in the form of UKTI's range of products and services (see pages 22–23); the GREAT Britain campaign (see page 4); support for the arts and culture; corporation tax reliefs for film, TV, animation, video games and, soon, regional theatre; and insight and expertise from the Technology Strategy Board. This Strategy outlines some of the ways that the government intends to build on this support, with UKTI, the Government Department that helps UK-based companies succeed in the global economy, taking a leadership role.

This Strategy outlines how government and industry can work together to meet all these challenges.



Far left: Award-winning singer-songwriter Ellie Goulding

Left: Ikea development, Wuxi, China, designed by BDP for IICC

Creativity is GREAT

The GREAT Britain campaign is just one of the ways in which the Government is working to support the UK creative sector.



The GREAT Britain campaign is the Government's most ambitious international marketing campaign to date. It showcases the very best of what Britain has to offer in order to encourage the world to visit, study and do business with the UK.

The campaign draws heavily on the creative industries to do this, and in so doing aims to promote the sector's expertise in 144 countries.

Where do we want to get to?

Exports and inward investment are fundamental to the long-term sustainability and success of British business. The Government is seeking a transformation in the UK's export performance with an overarching objective across all sectors to more than double exports to £1 trillion by 2020².

As part of this national transformation this Strategy sets out three major targets for the creative sector:

- ▶ **to double creative industries services exports by 2020 to £31 billion³**
- ▶ **to double the number of creative industries companies that export:**
 - for UKTI this means doubling the numbers of creative companies supported per year from 7,500 companies in 2013/14 to 15,000 per year by 2020
 - for industry and trade bodies this means agreeing growth targets (not specified at this point).
- ▶ **to increase the UK's share of the global market for inbound foreign direct investment (FDI) in creative industries by 50 percent by 2020⁴.**

This Strategy sets out how government and industry can work together to realise these ambitious targets by focusing on three strategic 'big wins'. It also explains the series of priority actions that industry and government need to take to deliver each 'big win'.

Delivering this Strategy will also require an improvement in the collection of data about creative sector exports, as this data is currently fragmented and incomplete: for example, estimates of the value of creative content exports are not currently collected. Government and industry will need to work closely together to address this issue.

How will we get there?

The Strategy focuses on areas where the sector and UKTI can work together. This will include encouraging new companies to export; supporting existing exporters to expand their international work; and focusing on ambitious and challenging projects which have the capacity to deliver the big wins.

The three big wins are:

1 Create overseas partnerships with the greatest potential to generate new business

Actions:

- ▶ Establish industry-led alliances in high-growth markets.
- ▶ Ensure a strong UK presence in creative clusters in priority global markets.
- ▶ Ensuring that creative businesses support the international growth of British brands through e-retailing.

2 Maximise supply chain opportunities for creative businesses in major global projects

Actions:

- ▶ Enhance the impact of major overseas projects for the creative industries particularly through UKTI's Creative Industries High Value Opportunity (HVO) Taskforce.
- ▶ Winning business in the 'experience economy'.

3 Focused targeting to drive inward investment

Actions:

- ▶ Making the case for wider inward investment in the UK creative sector.
- ▶ Highlighting UK centres of creative excellence.

² UKTI Annual Report 2012–13

³ From £15.5 billion in 2011. DCMS's Creative Industries Economic Estimates, January 2014. This refers to creative services as defined by DCMS

⁴ From an average of 10 percent of the global market between 2009–2013

Background to the Strategy

This Strategy has been produced over a seven-month period in close collaboration with industry leaders, business and government.

Creative Industries Sector Advisory Group

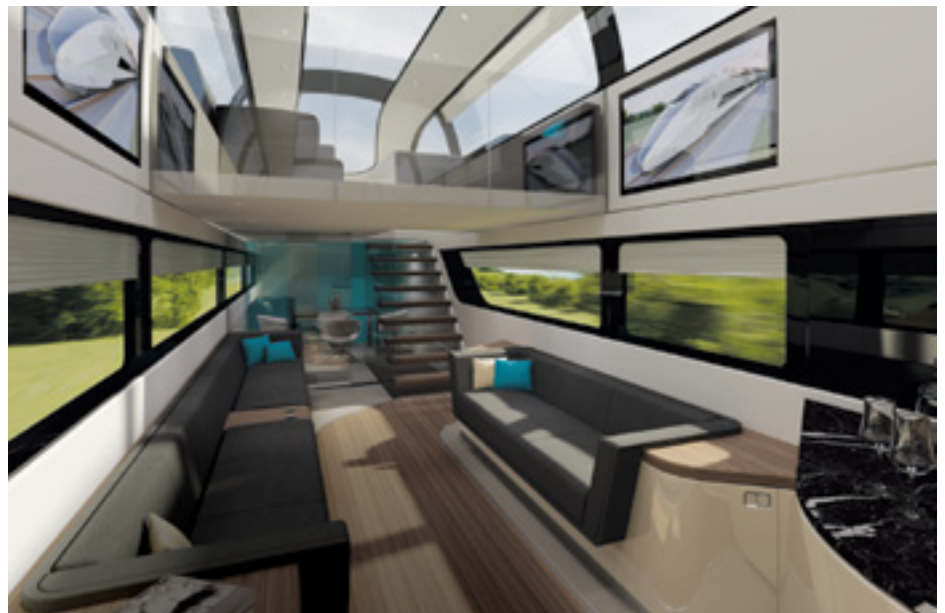
This work has been driven on behalf of industry by the Creative Industries Sector Advisory Group (SAG), set up by UKTI to help its public and private sector partners focus their efforts on creating an effective programme of international activity. SAG is made up of key creative leaders, and is co-chaired by Tim Davie, CEO BBC Worldwide and Director, Global, and Ed Vaizey, Minister for Culture, Communications and Creative Industries. The consultation for this Strategy has included three workshops, an online survey and one-to-one interviews with business and government leaders. The responses to this consultation have helped determine the Strategy's objectives, ideas and actions.

The Strategy aligns with the work of the Creative Industries Council (CIC)⁵, the joint government-industry body which instigates industry-led approaches to boosting growth and competitiveness, with government facilitating and removing barriers.

For the purposes of this Strategy we define the creative industries as embracing nine sub-sectors⁶:

- ▶ **advertising and marketing**
- ▶ **architecture**
- ▶ **crafts**
- ▶ **design (product, graphic and fashion)**
- ▶ **film, TV, video, radio and photography**
- ▶ **IT, software and computer services**
- ▶ **museums, libraries and galleries**
- ▶ **music, visual and performing arts**
- ▶ **publishing.**

Recognising the considerable differences between these sub-sectors (and in particular between the services and content sectors), this Strategy does not seek to devise individual action plans for each of them. Instead, it concentrates on those areas where the sector and UKTI could work together to deliver benefits to the creative industries and economy as a whole.



⁵ For information on the Creative Industries Council, see gov.uk

⁶ For further information see DCMS (January 2014) Creative Industries Economic Estimates



Above: *The Gruffalo*, written by Julia Donaldson and illustrated by Axel Scheffler

Left: Mercury high-speed train concept by Priestmangoode

What can government do – doing better business together

In order to double creative exports more companies will need to be encouraged to export. Through its existing relationships with the Sector Advisory Group and trade associations, UKTI will take a lead on delivering this goal. It will also develop new relationships with private sector intermediaries such as banks and professional service organisations to ensure export support penetrates the whole sector. To deliver an improved programme of engagement with creative businesses UKTI will work with a wide range of trade associations, industry bodies and other business multipliers to help them to step up their export or investment offer to creative companies and help more companies access UKTI support.

Drawing on its extensive domestic and international network, UKTI will also consider how its services can be better targeted and delivered to UK creative businesses so they are equipped with the optimal information, skills and confidence to operate in overseas markets or with inward investors.

UKTI already has a well-established suite of services and activities in place for new and experienced exporters and inward investors. These are delivered by UKTI's network of specialist International Trade Advisers throughout England and export adviser networks in Wales, Scotland and Northern Ireland⁷, working with Commercial Officers based in embassies and other diplomatic posts overseas. This includes support for UK companies at international events such as SXSW, MIPCOM, European Film Market, GDC and the Frankfurt Book Fair and support at sector events in the UK such as London Fashion Week, London Design Festival and Sheffield Doc Fest, and support for missions.

⁷ Creative companies in devolved administrations may be eligible for additional support



Since September 2013, UKTI support has also included the Music Export Growth Scheme (delivered by BPI), which provides £1 million a year to help UK music companies develop artists or projects internationally.

In 2013/14 UKTI helped some 7,500 creative companies with their export plans. With over 150,000 companies in the sector, however, it is clear that many more businesses might benefit from export advice and support. Therefore in addition to its business support, government can continue to help raise the profile of the creative industries 'offer' at home and abroad. This can be delivered through a high profile network of international experts and advocates including the Prime Minister's Business Ambassadors and Trade Envoys, the Creative Industries Council, Catalyst UK (senior business leaders who have lent their support to UKTI to further trade and investment) and Ministers. Government will also continue to leverage the successful GREAT campaign overseas to showcase the best of UK creative talent and demonstrate thought leadership in the sector.

The key areas of government support from 2014 until 2020 will include:

- ▶ **working with industry to create a creative industries cross-sector communications plan**
- ▶ **making support and services for small and mid-sized creative businesses more accessible and effective**
- ▶ **generating more up-to-date data about targets and better market intelligence**
- ▶ **improving co-ordination between public bodies and agencies including working effectively with the devolved administrations and their agencies**
- ▶ **supporting trade associations and other partners in delivering for business**
- ▶ **establishing new relationships with other intermediaries to reach small new-to-export creative companies**
- ▶ **UKTI, BIS and DCMS to consider how leveraging agreements such as the Trans Atlantic Trade and Investment Partnership can open up opportunities in creative sectors**
- ▶ **leveraging the UKTI network to communicate the value and capability of the creative industries worldwide.**



Above: Dyson AM01 desk fan

Left: Oscar-winning *Gravity* starring Sandra Bullock and George Clooney, filmed, and with VFX provided, in the UK

Right: Ministry of Sound 'Chilled' campaign created by Fold7

What can industry do?

Delivering the Strategy will require the UK creative industries sector and government to collaborate closely in a number of areas. In particular, industry can play a proactive role in communicating the benefits of internationalisation to UK creative business. A sector-wide communication plan is to be agreed, which will highlight opportunities, provide information and signpost sources of support. Trade associations and industry bodies will have a critical role in raising awareness of these, and in using their networks to engage harder-to-reach businesses.

Export levels must also be measured if they are to be managed and government and industry will need to work together to improve data in this area if progress is to be accurately recorded. This will require each sub-sector to develop export targets and a robust process for counting and tracking export levels.

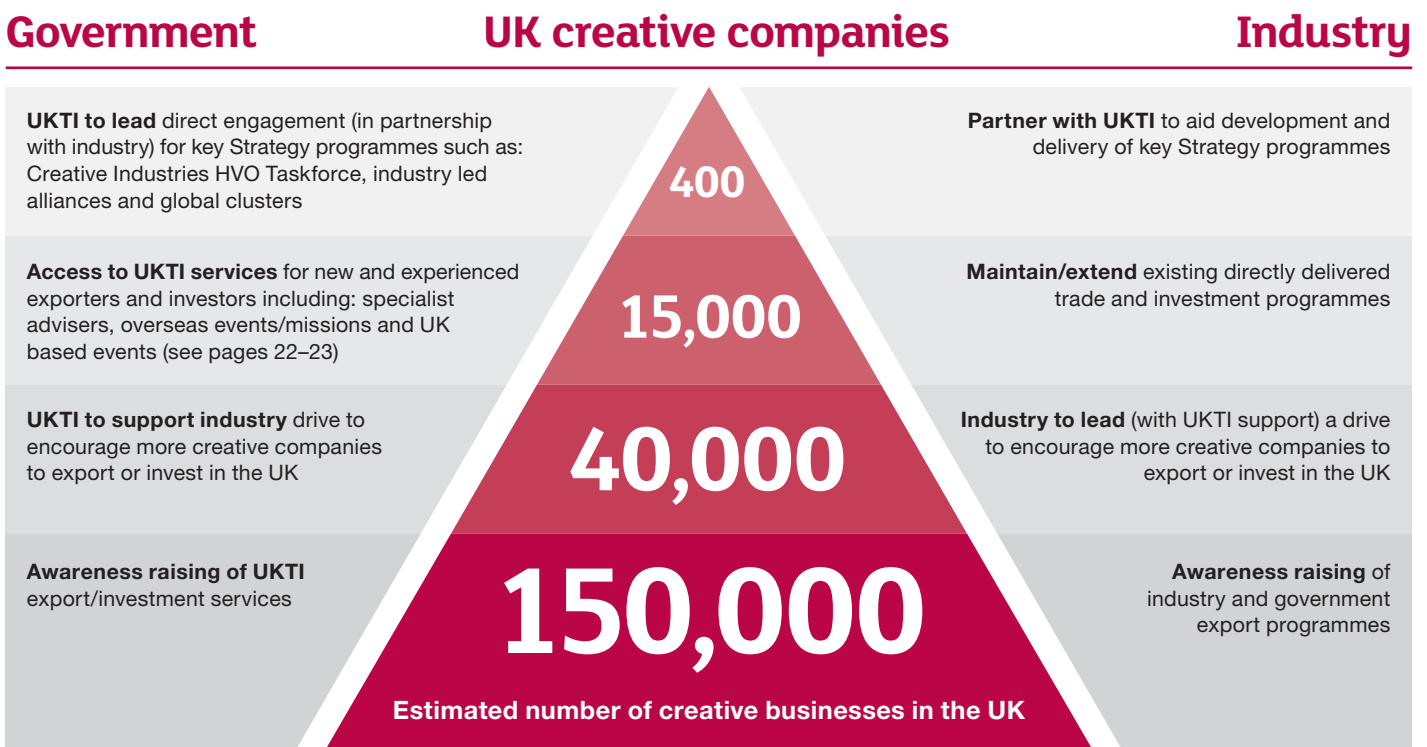
Industry can also take the lead on sharing best practice in export development across the creative sector.



Engaging new business – the network

In order to meet the challenging targets set out in this Strategy UKTI and industry organisations will need to coordinate and support each other and the sector. Figure 1 below shows how this might be done.

Figure 1: Engaging the creative industries



Creative UK in figures

The creative industries are a dynamic, flourishing sector of the British economy.

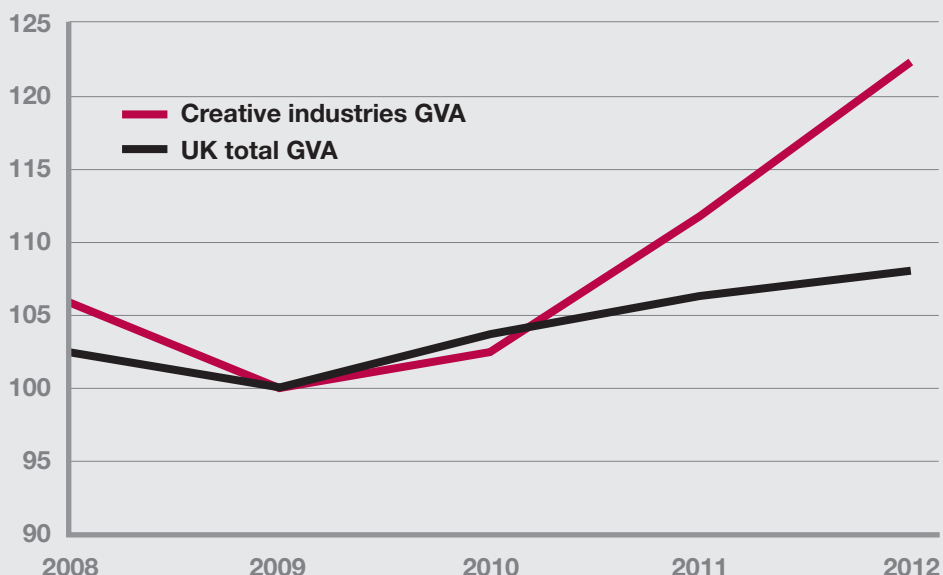
As shown in Figure 2 their contribution (as measured by Gross Value Added) to the UK economy has been growing at a faster rate than the economy as a whole, and the creative industries bounced back strongly from a period of economic downturn. The UK exported £15.5 billion of creative services in 2011, eight percent of all UK service exports.

Figure 3 shows that the three sub-sectors with the largest number of services exported in recent years are: 'IT, software and computer services' (£7.2 billion); 'film, TV, video, radio and photography' (£4.3 billion); and 'advertising and marketing' (£2 billion).

The creative industries have also made a major contribution to the UK's position as the largest recipient of foreign direct investment (FDI) in Europe⁸. Of the 1,559 inward investment projects recorded by UKTI as being won by the UK in 2012/13, a total of 369 (almost 25 percent) were classed as 'creative industries and ICT', accounting for 20,837 new jobs. Currently North America, the EU, Japan, China, India and Australia rank as the most significant sources of inward investment.

Right: Benedict Cumberbatch as Sherlock Holmes and Martin Freeman as Dr John Watson, in the BBC's *Sherlock*, produced by Hartwood Films and filmed and produced in Wales

Figure 2: Percentage change in GVA 2008–12 (2009=100)



Source: DCMS

Figure 3: Exports of services by creative industries sub-sector, 2011

Sub-sector	Exports (£m)
Advertising and marketing	2,013
Architecture	362
Crafts	*
Design: product, graphic and fashion	131
Film, TV, video, radio and photography	4,257
IT, software and computer services	7,210
Museums, galleries and libraries	*
Music, performing and visual arts	275
Publishing	1,245

Source: DCMS Creative Industries Economic Estimates, January 2014
 (*Numbers suppressed for reasons of non-disclosure)
www.gov.uk/government/publications/creative-industries-economic-estimates-january-2014



Big wins

Working together, government and industry have identified three 'big wins' – ambitious, strategic projects designed to help creative businesses accelerate export growth and increase inward investment.

These projects aim to offer opportunities for all sizes of creative businesses, to support both new and existing creative industry exporters and to drive inward investment into the UK. They are grouped together under themes, rather than being focused on particular countries, and not all of them will apply equally to every sub-sector within the creative industries.

This section explores these three big wins and the actions to support them in more detail.

£15.5bn

The UK exported £15.5 billion of creative services in 2011, eight percent of all UK service exports

Scene from *War Horse*, a National Theatre production at the New London Theatre



1 Create overseas partnerships with the greatest potential to generate new business

The UK has long been a successful exporter of creative goods and services.

However, the concept of the creative industries and the related notion of the creative economy, which many argue was first developed in the UK, has now been taken up across the world, with many nations encouraging growth in their own creative sectors. The market is increasingly competitive and the UK needs to strengthen its partnerships, especially in high-growth markets, to maintain and build on its earlier successes.

Action 1: Establish industry-led alliances in high-growth markets

High-growth markets such as those in Asia and Latin America are becoming increasingly important for UK businesses. This is particularly true for the creative industries, as the growing middle class in these markets tends to be increasing its spending on culture, leisure and entertainment. Creative businesses often face significant ‘barriers to entry’ to these markets, such as a lack of protection for intellectual property, difficulties accessing local knowledge and the challenge of breaking into global supply chains (see Figure 4 on page 14).

Supporting the creation of ‘business-to-business’ relationships by establishing strategic alliances with domestic firms offers an effective way to overcome these barriers and realise the untapped potential of such markets.

By bringing together a range of partners (UK and overseas businesses and organisations), these informal consortia can tackle issues which affect both exporters and domestic firms, so offering reciprocal benefits to both the UK and the host country. A partnership approach can also help smaller UK firms obtain benefits of scale without having to change their existing structures.

This approach has already been successfully demonstrated by the Technology Innovators’ Forum (TIF-IN) in Los Angeles, London and China which brings together leaders from the fields of entertainment, technology and investment with BBC Worldwide, BBC, Universal Music Group and the Founders Forum as its partners. TIF-IN focuses on content (film, TV, music and games) and its enabling technologies, and has become a brand in its own right, through which UKTI promotes the UK creative market.

Building on this success, UKTI is developing a Global Digital Media and Entertainment Alliance with China.

⁹ The IPO’s IP attaché network places a business attaché in overseas markets (currently in China, India, Singapore and Brazil) to help British businesses and encourage improvements to the host nation’s IP environment

In December 2013 the China Industry-University Research, Investment and Financing Union and UKTI signed a memorandum of understanding to support the creation of a federation of digital media, entertainment and communication business enterprises, entrepreneurs, creators, investors and educators. This alliance aims to give a new platform for working with China and will lead to more business in China for UK creative companies and encourage investment from China into the UK.

Making it happen

- ▶ Government and industry to decide on three priority high-growth markets that would benefit from a strategic alliance approach over the next five years.
- ▶ Government, businesses and investors to work together to create international consortia in the chosen markets to build a more supportive business environment, strengthen relationships and deliver commercial goals.
- ▶ Government ministers to undertake top-level ‘government to government’ discussions in relevant international forums to reduce trade barriers and to improve the regulatory environment for creative industries.
- ▶ UKTI to work with the Intellectual Property Office and its Intellectual Property attachés overseas to address IP and piracy issues which affect the creative sector in certain markets⁹.

**Target wins:
£1 billion by 2020**

**Action 2:
Ensure a strong UK presence
in creative clusters in global
priority markets**

From San Francisco to Singapore, many of the world’s most successful creative companies and individuals cluster together in a handful of locations, often in ‘world’ cities, resulting in creative clusters where ideas can be born, capability can be shared and supply chains can be grown.

Encouraging a strong UK presence in key creative clusters in targeted locations – which may include a physical space with an identifiably British presence as shown by the Pinewood example – would enable UK creative industries to develop deeper commercial relationships with many key players for trade, investment and R&D. Each cluster would have links to existing trade, cultural and/or academic players and be anchored by one or two large UK creative businesses.

Several key UK multinational businesses, such as Pinewood Studios Group, have established a permanent overseas presence, enabling and attracting similar creative companies to set up a base to capture mutual business opportunities.

UKTI will use its networks in the UK and overseas to help facilitate the growth of creative supply chains which leverage the presence of the cluster, helping to match supply and demand.



Making it happen

- ▶ Government will work with industry to identify five target cities where world class clusters offer the potential to generate significant business for UK creative companies. It is intended that there would only be one of these per national territory, spread across both mature and emerging markets.
- ▶ UKTI will leverage its network of Business Ambassadors, Trade Envoys, Ministers and programmes such as GREAT missions to build local support for the establishment of a strong UK presence in identified target cities to raise the profile of those UK businesses connected with it.
- ▶ UKTI will work with UK multinational businesses in key international clusters and consider how working together may support the ambitions of their supply chains and other UK companies new to the relevant market.

**Target wins:
£500 million by 2020**

Figure 4: Ease of Doing Business rankings for largest export markets, 2013

How accessible are key markets for UK businesses?	Country	Ranking out of 189, with 1st being best (UK ranks 10th)
While the UK’s creative industries succeed in selling their wares in almost every country in the world, there is considerable variation in accessibility from one major market to another. Data compiled by the World Bank shows how some of the UK creative industries’ top markets rank in terms of ease of doing business:	United States	4th
	Australia	11th
	Germany	21st
	Japan	27th
	France	38th
	Italy	65th
	Russia	92nd
	China (and Hong Kong)	96th (Hong Kong 2nd)
	Brazil	116th
	India	134th

Source: World Bank, Ease of Doing Business Index, June 2013

Action 3: Ensuring that creative businesses support the international growth of British brands through e-retailing

UKTI is scaling its support for consumer and retail businesses, helping their export growth not only through traditional routes but also through new, digital channels to customers around the world. Creative companies have a role to play in supporting this new multi-channel approach, enabling innovative retailing and ultimately winning business.

Making it happen

► UKTI to include creative sector companies in the opportunities created by the 'omni-channel' strand of the UK Retail Industry – International Action Plan. The success of the programme is ultimately measured in how many companies achieve export growth as a result of UKTI support. Creative businesses will also be tracked to see how and when they have supported this new high value campaign and how it has made a difference to UK exports.

**Target wins:
These targets will be
developed in line with
the UK Retail Industry –
International Action Plan**



Above left: Radical Fashion exhibition at the V&A by Event Communications

Above: Furniture by Benjamin Hubert: Pontoon oak dining table, Martime S chairs

2 Maximise supply chain opportunities for creative businesses in major global projects



Action 1: Enhance the impact of major overseas projects for the creative industries particularly through UKTI's Creative Industries High Value Opportunity (HVO) Taskforce

The High Value Opportunities (HVO) programme is a major UKTI initiative that helps UK businesses to access large-scale overseas procurement projects with an accessible value to UK business of at least £250 million. Within these projects are a host of supply chain opportunities for UK creative companies to capitalise on, particularly in global sports, healthcare, retail and infrastructure.

At the end of 2013, UKTI announced the launch of a Creative Industries HVO Taskforce consisting of 100 key creative companies across architecture, design, branding, advertising and media production, with proven international experience in their sectors. The Taskforce includes game-changing creative companies such as Adjaye Associates, Mother and BAMB TV, and has been developed to ensure creative companies can benefit from the opportunities arising in the supply chain of major overseas projects. Taskforce members also act as ambassadors for the UK creative offering.

The UKTI network is already working with several Taskforce members to facilitate supply chain opportunities worldwide.

100

UKTI has established a Creative Industries HVO Taskforce consisting of 100 key companies

Above: *Desh*, direction, choreography and performance by Akram Khan

Above right: Glass roof of the Great Court at the British Museum with the Reading Room building in the foreground, London, designed by Foster + Partners



Making it happen

- ▶ UKTI to provide support to the work of the Creative Industries HVO Taskforce to ensure it is successful in securing £500 million worth of high value overseas contracts over the next three years for the 100 creative enterprises and their wider supply chain. UKTI will regularly review the taskforce's remit and activities.
- ▶ UKTI to support the Taskforce in engaging creative businesses both within and outside its core membership to build wider consortia of creative 'supply chains' to strengthen their offer and capability to win business.
- ▶ UKTI to deliver a series of bespoke events, learning opportunities and access to resources to enable the Taskforce and wider creative sector to win international business.
- ▶ Government and industry to work together to improve awareness among creative companies of the tendering processes for major global projects in order to build key relationships.
- ▶ UKTI to work with industry specialists to offer best available support to UK creative businesses beyond the Taskforce to ensure widespread benefits.

Target wins:
£500 million over
three years

Action 2: Winning business in the 'experience economy'

To date, much of the support around the HVO programme has focused on large-scale infrastructure investments. In the longer term UKTI will seek to broaden this programme to include major projects that have a clear benefit to creative industries.

Over the next ten years, hundreds of new projects will be built in the visitor attractions industry globally: theme parks, museums, aquariums, waterparks and family entertainment centres. In addition, the global retail sector is increasingly embracing the concept of making shopping more of an interactive 'experience' for its customers, often drawing on the output of the creative industries to achieve this. Taken together, the value of currently known projects in these areas is estimated by UKTI to exceed £500 billion. There are two existing HVOs in the experience economy sector, the West Kowloon Cultural District in Hong Kong and Sa'adiyat island in the UAE. Both are at relatively early stages of development, but generated £11 million in supply chain projects for UK creative firms last year.

HVOs are, primarily, construction projects, but the UK's creative industries have considerable capability in visioning, planning, designing and equipping projects in this area. By targeting clusters of firms on projects in markets such as China, Malaysia and South Korea, UKTI can help UK companies access the elements of the project's supply chain that are relevant to the sector's capabilities

Making it happen

- ▶ UKTI to identify major cultural, entertainment and themed attraction projects around the world and focus on cultivating opportunities arising from them for the creative industries.
- ▶ Government and industry to work together to improve awareness among creative companies of the processes by which these opportunities can be won.
- ▶ UKTI to use trade missions to facilitate the building of consortia and include relevant businesses from across the creative industries to address the specific requirements of major global projects.
- ▶ Industry and government to explore the feasibility of a HVO database of business opportunities specifically targeted at creative companies.

Target wins:
UKTI is working to
establish the accessible
value of these projects for
UK's creative industries

Over the next ten years, hundreds of new projects will be built in the visitor attractions industry globally: theme parks, museums, aquariums, waterparks and family entertainment centres

3

Focused targeting to drive inward investment

Action 1: Making the case for wider inward investment in the UK creative sector

The UK is already the leading European destination for foreign direct investment (FDI), and this is true too for the creative industries sector. Seen as a gateway to Europe and a hub for the Europe, Middle East and Africa (EMEA) region, major corporations from both established and emerging economies view the UK as a commercial destination of choice.

In addition the ‘creative tech’ sector is growing fast, and its start-ups and small companies expand internationally at much earlier stages of their development than traditional firms do. The UK’s innovation and depth of creative talent in these areas offers great scope to create new global businesses, brands and platforms.

In order to protect that position and drive further FDI success the UK creative industries need to continue to articulate their messages on two levels:

- to continue to raise awareness of the overarching cultural narrative of the UK creative economy, reinforcing the factors that make the UK such a creative hub attracting international businesses
- at a more fine-grained level, each creative sub-sector should develop its own case for investors, stating the commercial opportunities and imperatives, strengths and unique selling points which create the conditions for successful FDI. This might include: scale, skills, innovation, infrastructure, talent, supply chain, regulation, incentives, R&D and more.

Making it happen

- ▶ Focus on creative economy sub-sectors with the greatest potential to drive FDI business and match to the top three priority markets for that sub-sector, helping build coherent and strategic plans to deliver increased inward investment.
- ▶ Develop benefit-led propositions to make a compelling commercial case to potential inward investors – matched to market opportunities (in the UK and as a hub for expansion across the wider EMEA region). These propositions will articulate the business environment, revenue potential and supply chain landscape; and will form the core of targeted communications between UKTI and prospective FDI clients.
- ▶ Work in partnership with industry to channel communications and generate productive global connections, for example around the creative tax reliefs. This should include joined-up coherent messaging across government agencies, trade bodies and other intermediaries promoting the UK to inward investors. An example here is the partnership with the British Film Commission, British Film Institute and DCMS to encourage screen investment.
- ▶ Commission research to evidence the UK’s position relating to the transformative changes and emerging market opportunities across the sector driven by digital technologies and the convergence of creative platforms and disciplines. This research should evidence UK business innovation and start up successes, plus wider consumer trends and behaviours.
- ▶ Government and industry to work together to develop the UK’s proposition as an innovation and R&D lab for international business and a catalyst for future product and service development. UKTI to promote the UK as a platform for innovation by highlighting the UK’s research capabilities such as Technology Strategy Board, Catapult Centres, Research Councils and universities combined with the UK’s attractive fiscal incentives like Patent Box, and R&D and creative tax credits.





The UK has a number of highly successful and globally recognised centres of excellence, both in London and spread across England, Northern Ireland, Scotland and Wales, often with a specific focus on a particular creative discipline or genre

Above: Set build, *Game of Thrones*, in Titanic Studios, Belfast

Left: The innovative Tip Ton chair designed by British duo Barber Osgerby for Vitra

Action 2: Highlighting UK centres of creative excellence

The UK has a number of highly successful and globally recognised centres of excellence, both in London and spread across England, Northern Ireland, Scotland and Wales, often with a specific focus on a particular creative discipline or genre. Within these clusters businesses and their supply chains are co-located alongside academic institutions with complementary specialisms or concentrations of relevant technology development – making the whole centre a more attractive investment proposition.

These centres of excellence not only attract FDI in their own right but also act as ‘connectors’ to international creative cities and clusters, catalysing trade opportunities and wider investment potential. A strategy to articulate the international quality of these centres of excellence across the country, matched to defined sub-sector targets for FDI, will help enhance the UK’s creative economy offer and help further attract global business to the sector.

Making it happen

- ▶ UKTI to work with the Creative Industries Sector Advisory Group, the Creative Industries Council and others – for example, local enterprise partnerships, devolved administrations and industry networks – to develop propositions for UK centres of excellence with demonstrable international strengths and actively promote these internationally.
- ▶ Define a strategy of focused targeting of potential FDI clients matched to the commercial environment, supply chain opportunities and R&D activities within each centre of excellence, again as a coherent partnership between all interested parties and investment organisations.
- ▶ Generate a ‘one-stop shop’ central knowledge base within UKTI to allow greater clarity in the presentation of the full UK offer as it relates to each centre of excellence. This should provide linkage to partners and intermediaries; articulate scale, skills and talent base; demonstrate specialisms and highlight funding opportunities and cost benefit analyses (including financial support via Enterprise Zones, the Regional Growth Fund and other regional incentives).
- ▶ Raise the profile of the industry-led site www.thecreativeindustries.co.uk and creative content on www.gov.uk

Next steps

This Strategy is owned jointly by UKTI and industry and is supported by the Department for Business, Innovation and Skills and the Department for Culture, Media and Sport.

The intention is that it should be a living document that will be regularly reviewed over a five-year period. Preparatory research and action plan development will begin in June 2014. Implementation of the Strategy's actions will begin in April 2015 with the final assessment of the Strategy taking place in the spring of 2020.

Phase 1:
Assessment and preparation:
June 2014 – March 2015

- ▶ Secure agreement of government and industry to targets.
- ▶ Collect market intelligence and agree methodologies.
- ▶ Priorities identified and agreed.
- ▶ Development of detailed implementation action plans with stakeholders.
- ▶ Realign programmes to support strategic objectives.

Phase 2:
Implementation:
April 2015 – March 2020

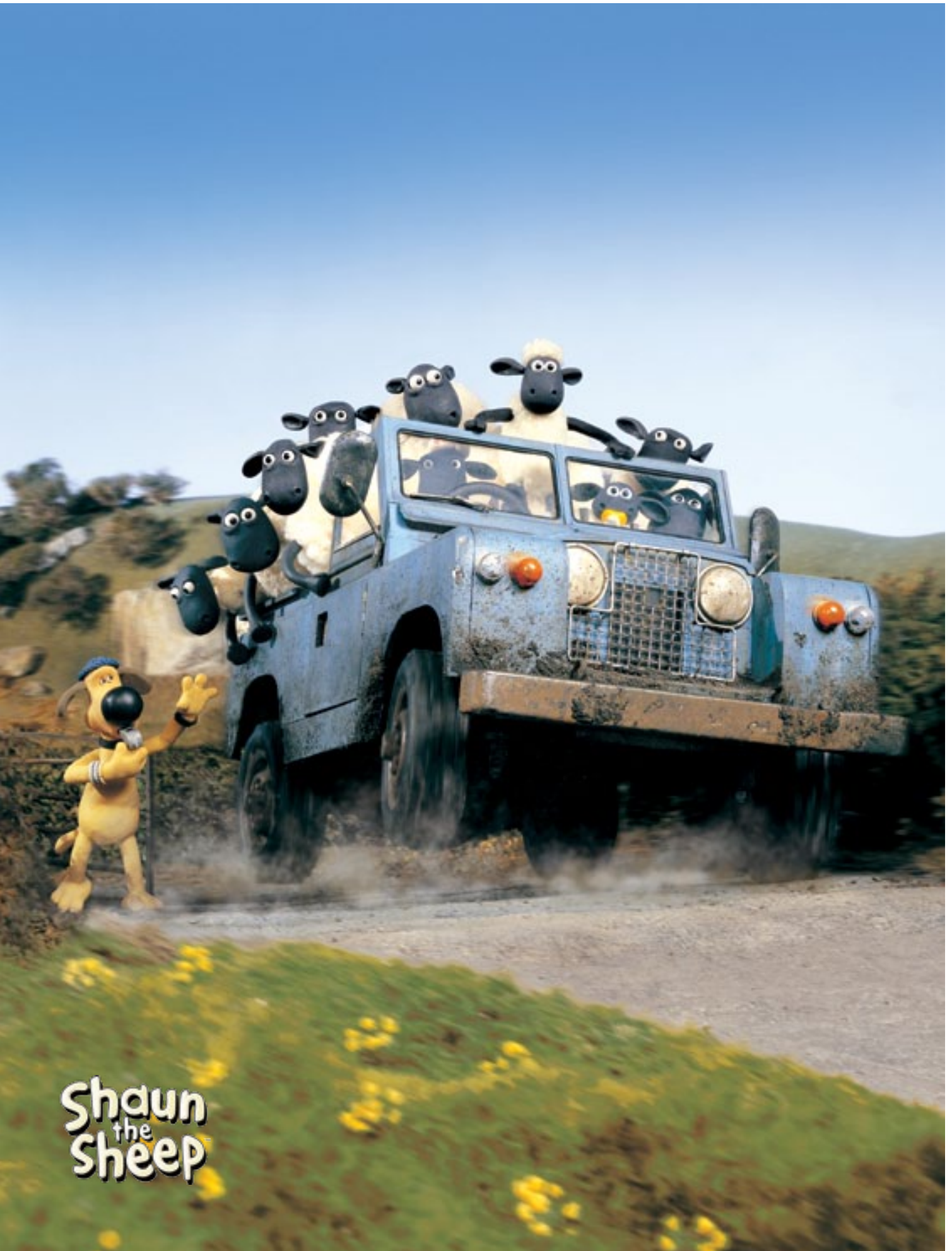
- ▶ Programme delivery (to meet value and number targets).
- ▶ On-going performance monitoring, evaluation and continuous improvement.



Left: Christopher Kane collection, London Fashion Week 2013

Above: 104 Series watch by Uniform Wares

Right: *Shaun the Sheep*
© Aardman Animations Ltd 2012



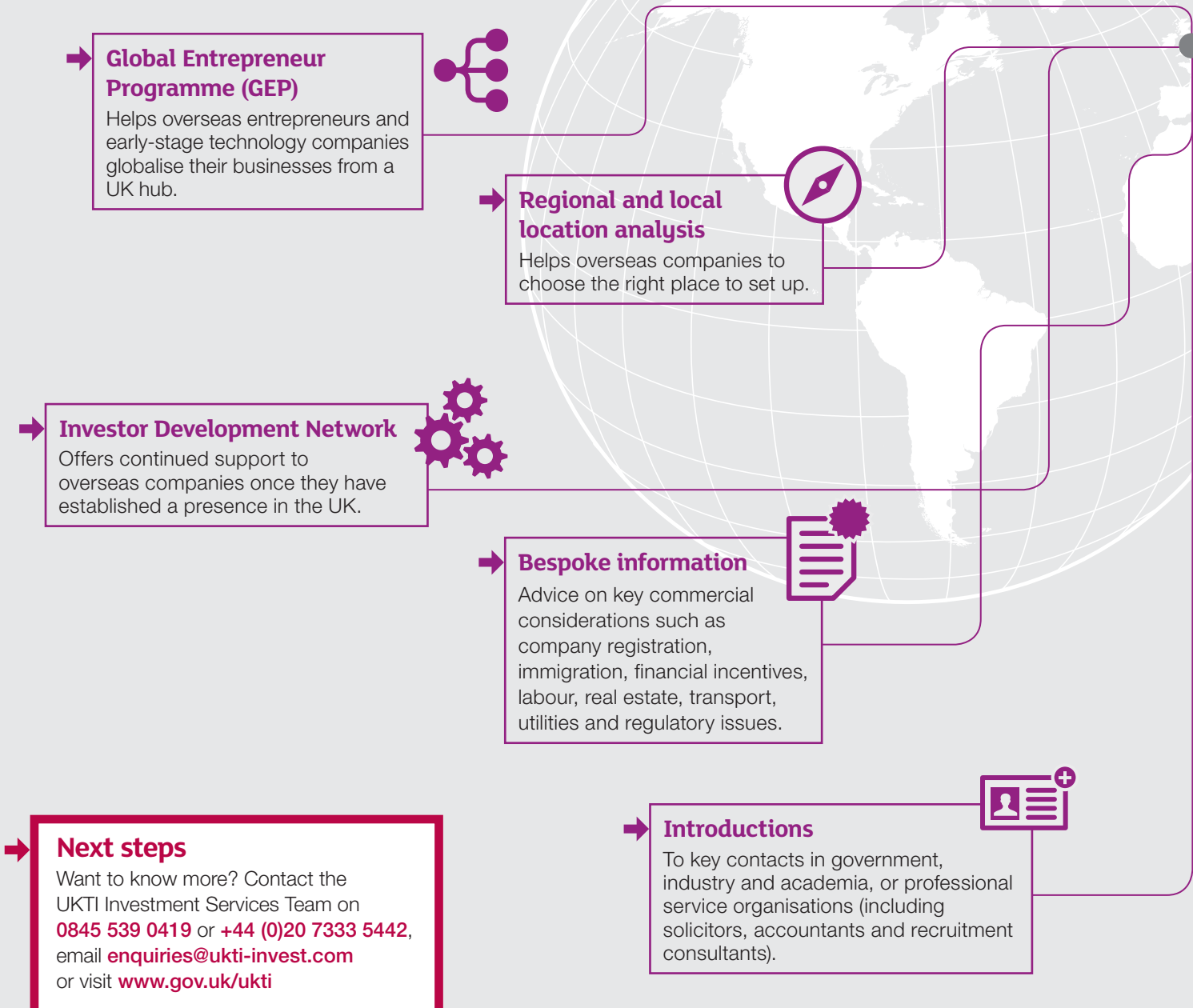
Shaun
the
Sheep

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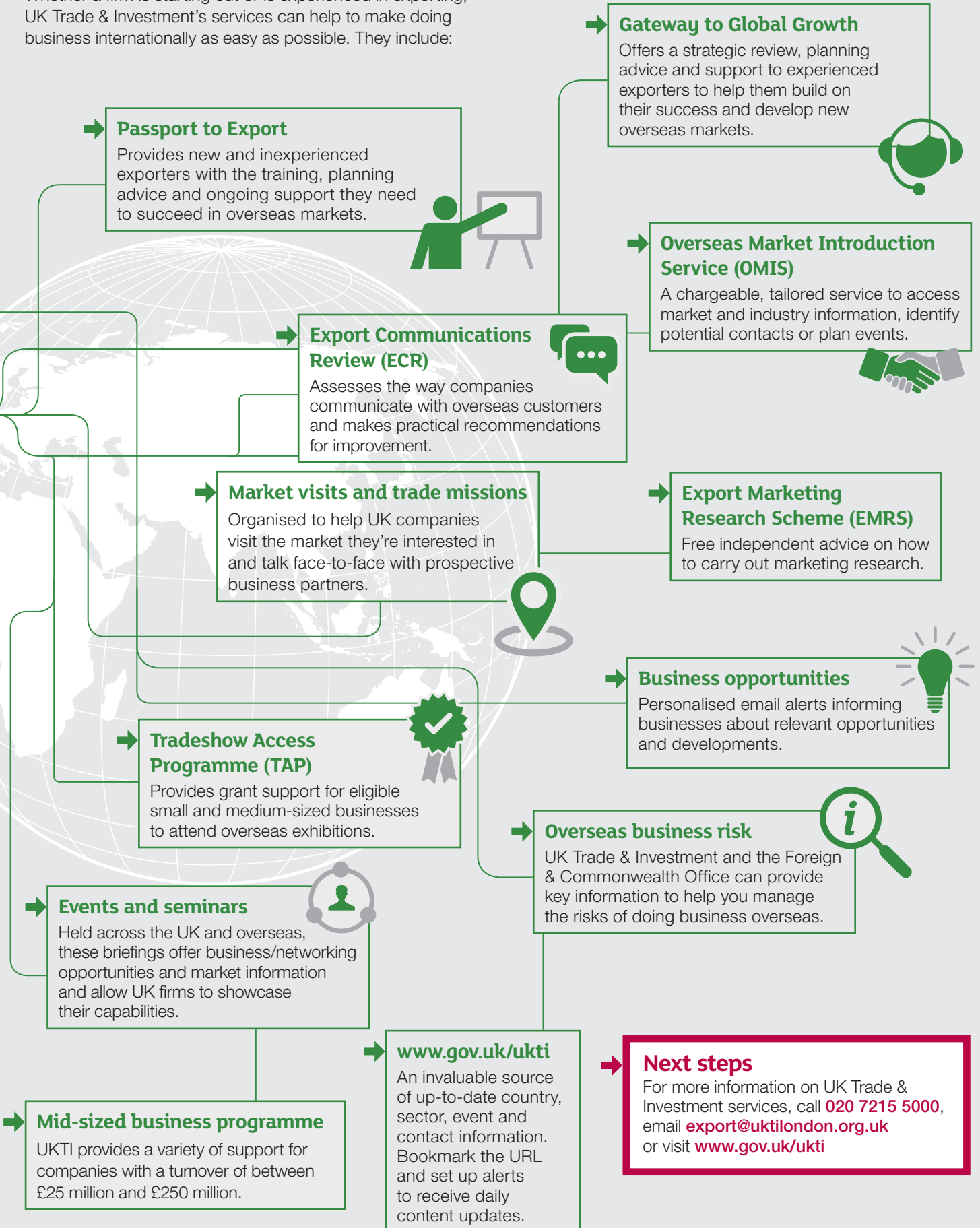
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UK exporters

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Creative Industries Sector Advisory Group

Co-Chairs

Ed Vaizey

Parliamentary Under Secretary of State for Culture, Communications and Creative Industries

Tim Davie

CEO, BBC Worldwide, and Director, Global

Members

Nick Allott

Managing Director, Cameron Mackintosh

Joss Croft

Marketing Director, VisitBritain

Julian David

CEO, TechUK

Jo Dipple

CEO, UK Music

Rosy Greenlees

Executive Director, Crafts Council

Janet Hull

Director of Marketing, IPA

Oli Hyatt

Chair, Animation UK

John Mathers

CEO, Design Council

Nick McDowell

Director for International, Arts Council England

John McVay

Chief Executive, PACT

Richard Mollet

CEO, Publishers Association

Caroline Norbury

CEO, Creative England

Harry Rich

CEO, RIBA

Caroline Rush

CEO, British Fashion Council

Graham Sheffield

Director Arts, British Council

Jo Twist

CEO, UKIE

Colin Watson

Managing Director, BCFA

Adrian Wootton

CEO, Film London

Government

Representatives from BIS, DCMS and UKTI attend. UKTI acts as Secretariat (Kirstie Cranshaw).

Strategy consultation

In addition to the Sector Advisory Group approximately 200 organisations and individuals from across the creative industries (from trade associations, government, the regions, devolved administrations and businesses including inward investors) input into the development of this Strategy.

Approximately 120 individuals participated in three workshops (two in London and one in Manchester) and Business Ambassadors and Trade Envoys with an interest in the creative industries also contributed. A survey also supplemented the consultation.

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Cover: Visualisation of 'Hive' by Wolfgang Buttress; an artist's impression of the winning design for the UK Pavilion at Milan Expo 2015, a stunning concept inspired by the honey bee. The theme of the 2015 Expo is 'Feeding the Planet, Energy for Life' and the UK's presence will reflect 'Grown in Britain'. The UK Pavilion is designed by Wolfgang Buttress and developed and built with internationally-recognised UK construction expertise from Stage One, Rise, BDP and Tristan Simmonds. Together the winners represent Nottingham, York and London.

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