INDICATORS OF MOSCOW'S CREATIVE ECONOMY

On the basis of the Moscow's Creative Industries Classification, we have compiled a register of profile enterprises.

As key sources of information for the classification, we used SPARK-Interfax and FIRA PRO[1] databases containing qualitative and quantitative indicators of enterprises and sole proprietors (SPs). From these databases we have made lists of active Moscow enterprises and SPs which marked one of the types of economic activities included into the classification as a main activity[2].

Because the OKVED2 codes of officially declared activities often do not correspond to the actually performed activities, the register has been updated with open source data — results of specialised ratings, data from industry-specific contests, conferences, etc. A number of enterprises that did not perform 'creative activities' were excluded from the final register (see Technical Notes). As a result, we have obtained basic economic characteristics of the Moscow's creative sector.

There are over 58 thousand enterprises and 54 thousand SPs operating within Moscow's creative industries. In 2018, the total revenues of Moscow's creative industries enterprises exceeded 3.04 trillion roubles and the employment — 463 thousand persons (excluding enterprises that have not provided the reports). By HSE estimates, in 2019 the total revenue of enterprises in creative industries has reached 4 billion roubles.

Enterprises
58.5
thousand

Revenue[3]
3.04
billion roubles

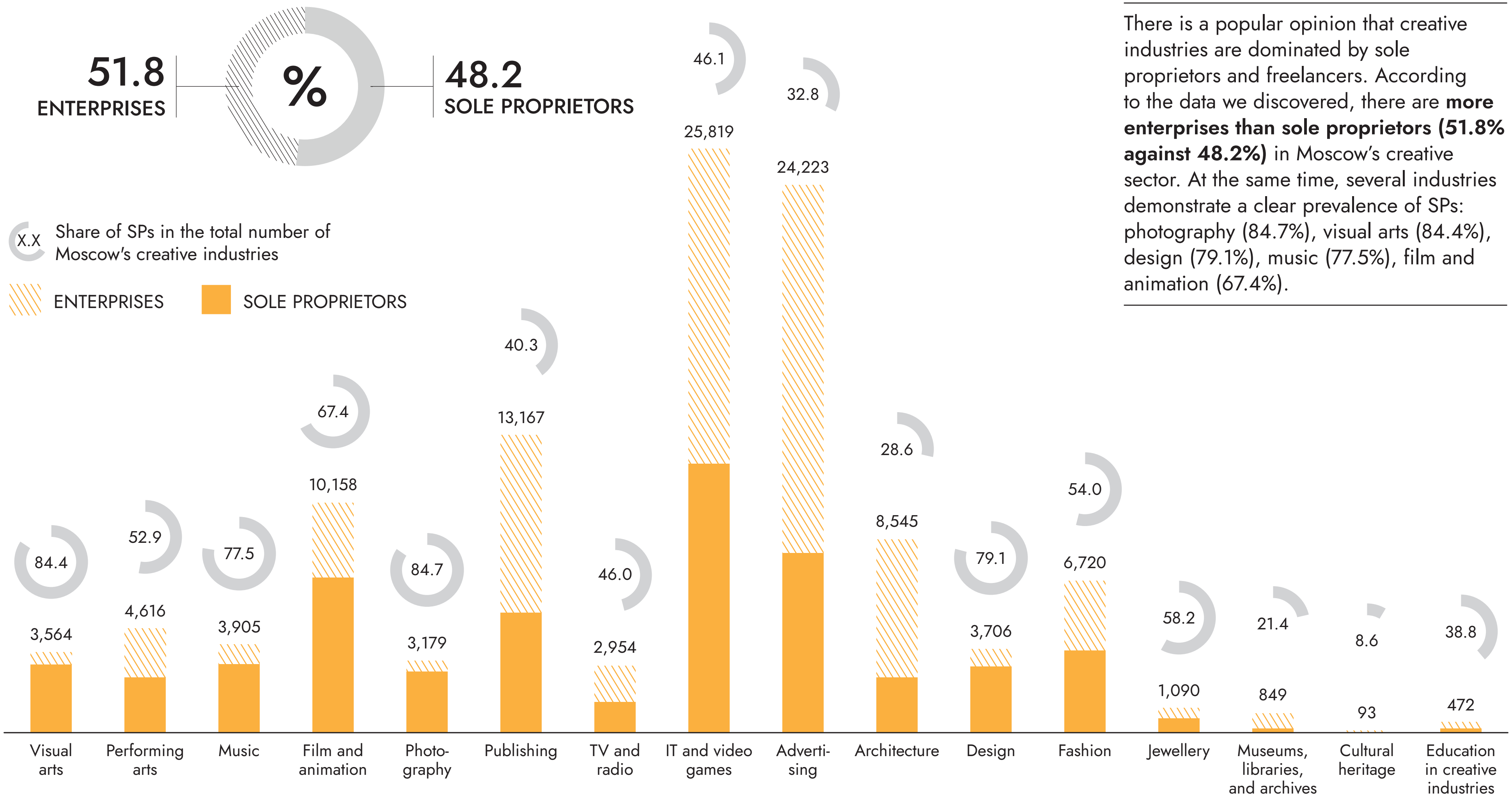
Sole proprietors
54.5
thousand

Employment[3]
463
thousand persons

[1] SPARK and FIRA PRO products' description can be found on https://www.spark-interfax.ru/ and https://fira.ru, respectively.
[2] As of August 2020.
[3] The data about 2018 revenues were reported by 27,901 enterprises (47.7% of their total number), about employment — 32,525 (60.7%). Employment in other enterprises and SPs has been conditionally taken at 1 person.

REGISTERED ENTERPRISES AND SOLE PROPRIETORS

There is a popular opinion that creative industries are dominated by sole proprietors and freelancers. According to the data we discovered, there are **more enterprises than sole proprietors (51.8% against 48.2%)** in Moscow's creative sector. At the same time, several industries demonstrate a clear prevalence of SPs: photography (84.7%), visual arts (84.4%), design (79.1%), music (77.5%), film and animation (67.4%).



CREATIVE INDUSTRIES BREAKDOWN BY AGE OF ENTERPRISE

YOUNG

ENTERPRISES **16.9%**

SOLE PROPRIETORS **41.0%**

Top 5 creative industries by share of enterprises/SPs that have been operating on the market between 1 and 3 years

Enterprises		Sole proprietors	
34.3	Design	66.4	Design
21.1	Advertising	48.8	Advertising
21.0	IT and video games	45.7	IT and video games
16.9	Jewellery	40.7	Performing arts
16.7	Film and animation	40.3	Film and animation

Moscow's creative economy is characterised by high business buoyancy. Around 17% of enterprises and 41% of SPs are young, active on the market less than three years. Such companies are, as a rule, concentrated in areas of design (over 50%), advertising, and IT.

MATURE

ENTERPRISES **27.9%**

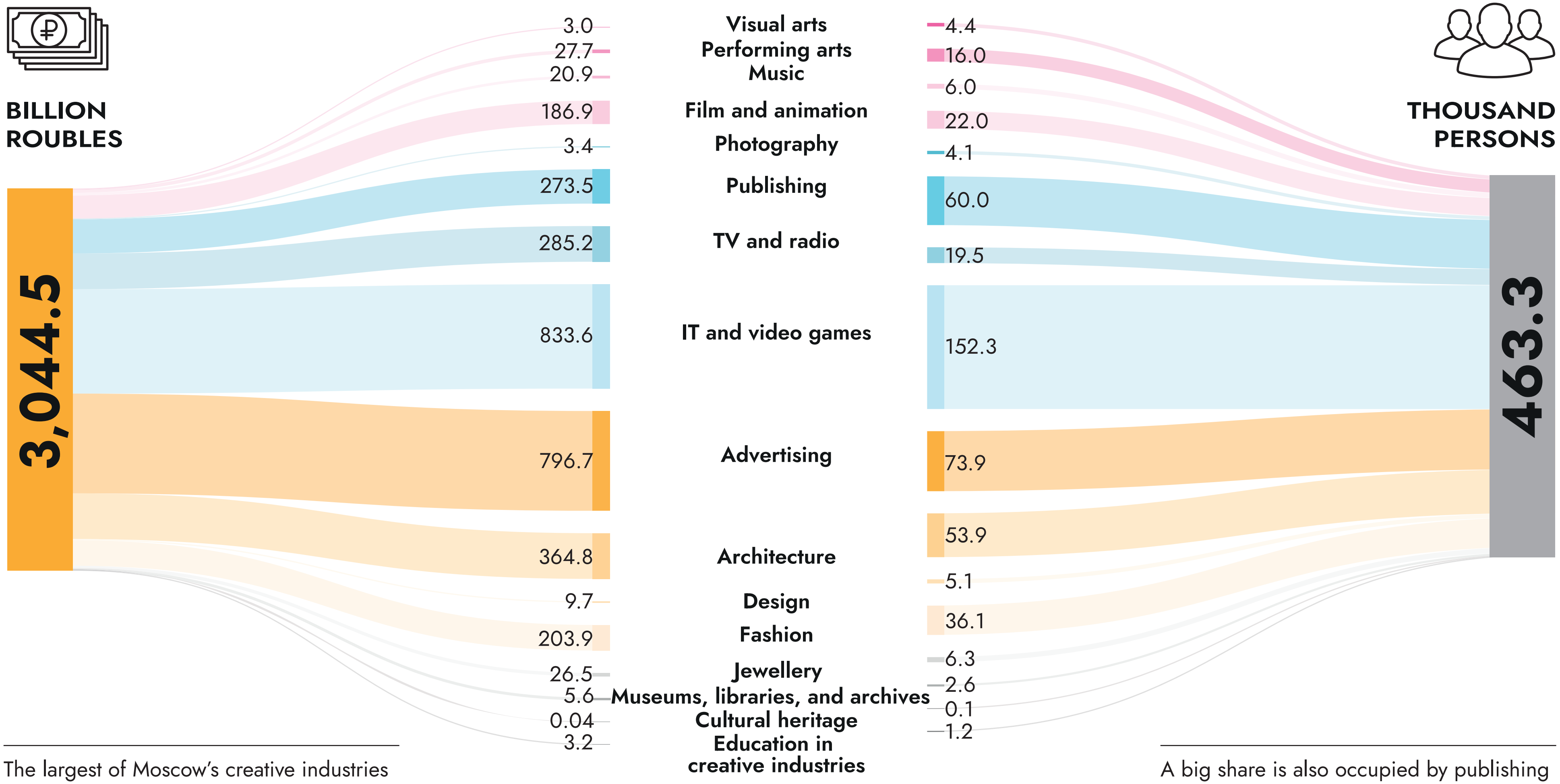
SOLE PROPRIETORS **13.8%**

Top 5 creative industries by share of enterprises/SPs that have been operating on the market over 10 years

Enterprises		Sole proprietors	
44.6	Publishing	28.2	Jewellery
42.4	TV and radio	24.3	Visual arts
40.8	Visual arts	23.9	Photography
36.8	Architecture	20.7	Film and animation
36.1	Photography	20.3	Publishing

Over half of enterprises in publishing, visual arts, and TV and radio have been operating on the market over ten years. In jewellery and publishing, visual arts, photography, and film industry there is also a significant number of mature SPs. Their share varies from 20% to 30%.

REVENUE AND EMPLOYMENT



The largest of Moscow's creative industries by revenue and employment are advertising and IT. Their cumulative percentage equals half of the Moscow's creative sector.

A big share is also occupied by publishing and architecture. Contribution of other creative industries to the economy of the city is less notable.

GROSS VALUE ADDED OF MOSCOW'S CREATIVE ECONOMY

We can understand how important creative industries are for Moscow by the gross value added (GVA) they create. This indicator refers to a difference between output of goods and services and intermediate consumption. It gives us insights about abilities of an enterprise in any given industry to ensure its performance in employment, payment of wages, and investments, and, implicitly, illustrates their participation in the city budget.

In 2018, Moscow's creative industries GVA reached 1.12 billion roubles, a 6.29% of gross regional product (GRP). By contribution to the Moscow's economy, the creative sector significantly outperforms such an extensive industry, like construction (3.9% of GRP).

Moscow enterprises generate about 54% of Russian creative industries GVA. This is due to the fact that megacities have a traditionally denser concentration of creative and cultural potential, as well as a high demand for certain goods and services.

OVER A HALF OF THE TOTAL GROSS VALUE ADDED OF RUSSIAN CREATIVE INDUSTRIES IS GENERATED IN MOSCOW

1.12 trillion roubles

Moscow's creative industries GVA

2.1 trillion roubles

Russia's creative industries GVA

6.29%

Share of creative industries in Moscow's GRP

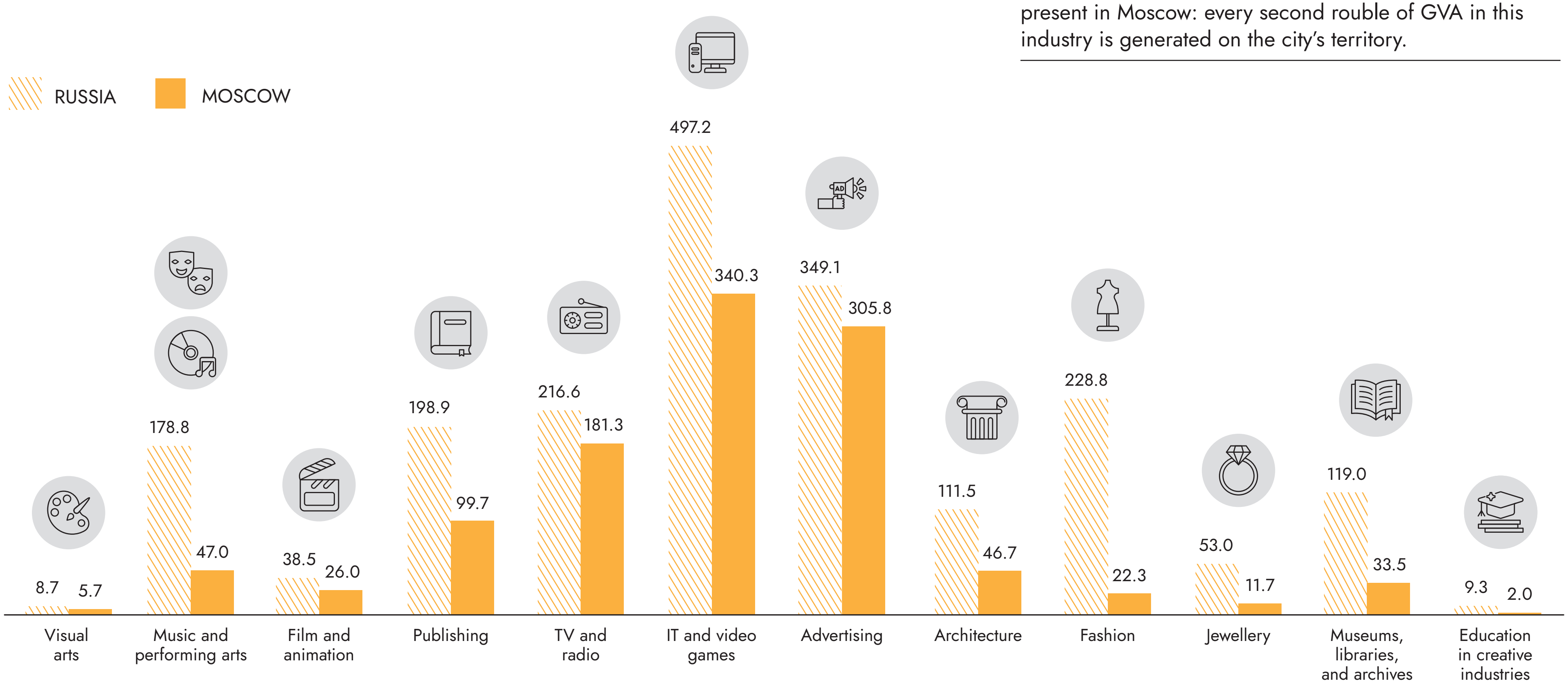
2.23%

Share of creative industries in Russia's GDP

CREATIVE INDUSTRIES GROSS VALUE ADDED ESTIMATES: 2018, BILLION ROUBLES

Almost three quarters of Moscow's creative economy GVA is accounted for by TV and radio, ICT, and advertising.

Activity in the area of TV broadcasting, advertising, and filming is almost entirely concentrated in the capital, whereas fashion, jewellery, and performing arts are mostly represented in other regions. Out of all creative industries related to production, only publishing is distinctively present in Moscow: every second rouble of GVA in this industry is generated on the city's territory.

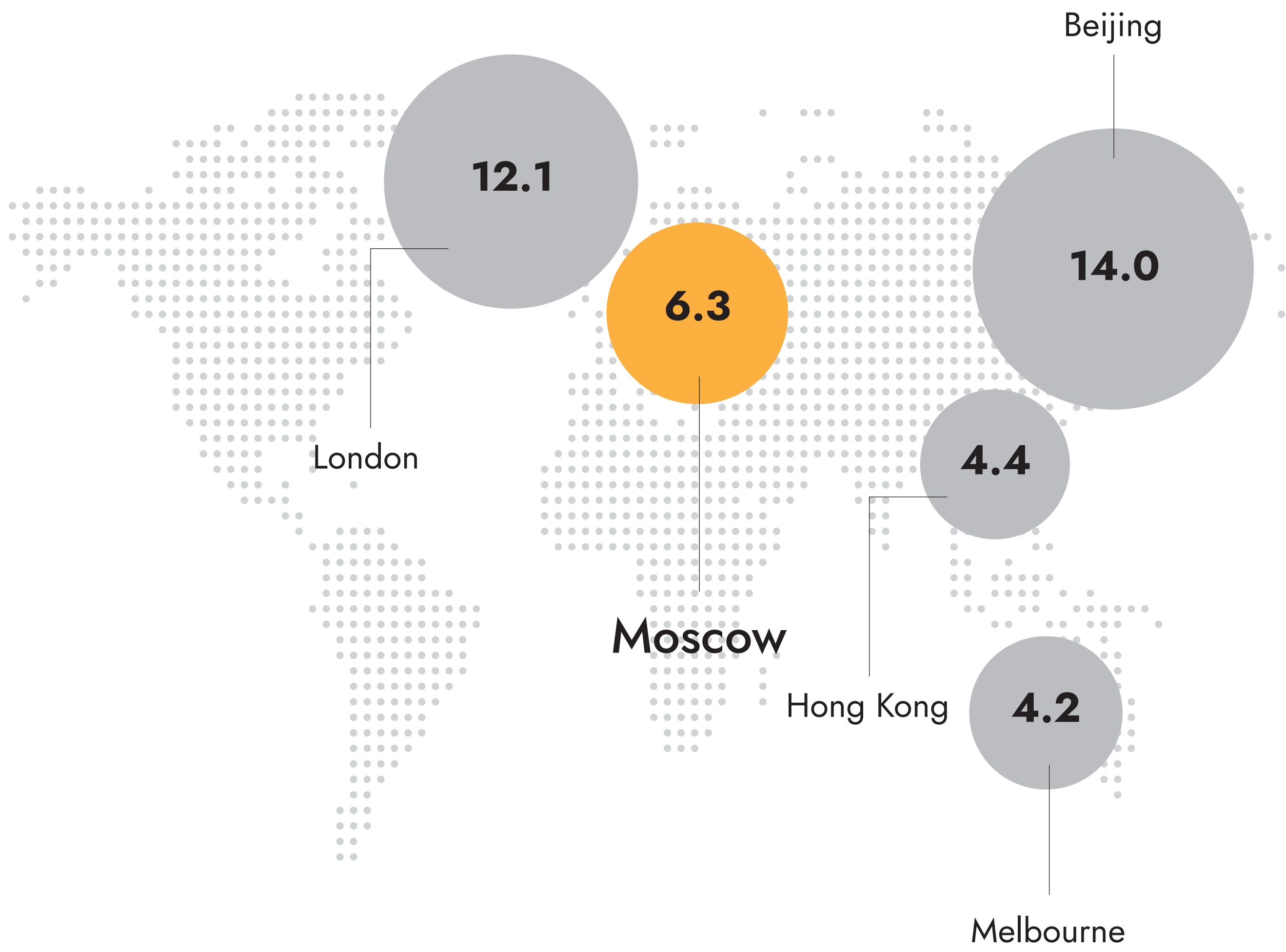


Source: HSE estimates based on the creative industries classification and Rosstat data on enterprises' turnover (form no. P-1 'Information on the Production and Shipment of Goods and Services'), as well as Russia's disaggregated GDP and GRP of Moscow in accordance with OKVED2 for 2018.

CREATIVE INDUSTRIES' SHARE IN THE GROSS CITY PRODUCT: 2018[1]

By contribution of creative sector to the economy, Moscow is comparable with other global megacities, despite its relatively considerable industrial potential.

It is difficult to conduct international comparisons for this indicator at the city level, because of disagreements on what constitutes a creative industry. For example, Beijing authorities define the production of related products (toys, stationary, film, music, TV and radio production equipment, etc.) and their trade as creative. At the same time, almost a double lag of Moscow behind London — one of the global leaders in creative industries development — given the relative closeness in approaches to assessing their share in GRP, demonstrates the potential of the Russian capital to continue development of the creative sector and, possibly, becoming the global centre of creativity in the nearest future.



Sources: HSE, NESTA, Hong Kong Special Administrative Region's Census and Statistics Department, CCP Beijing Municipal Party Committee's Department of Information, Melbourne City Council.

[1] Or nearest years for which data are available.