

# 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

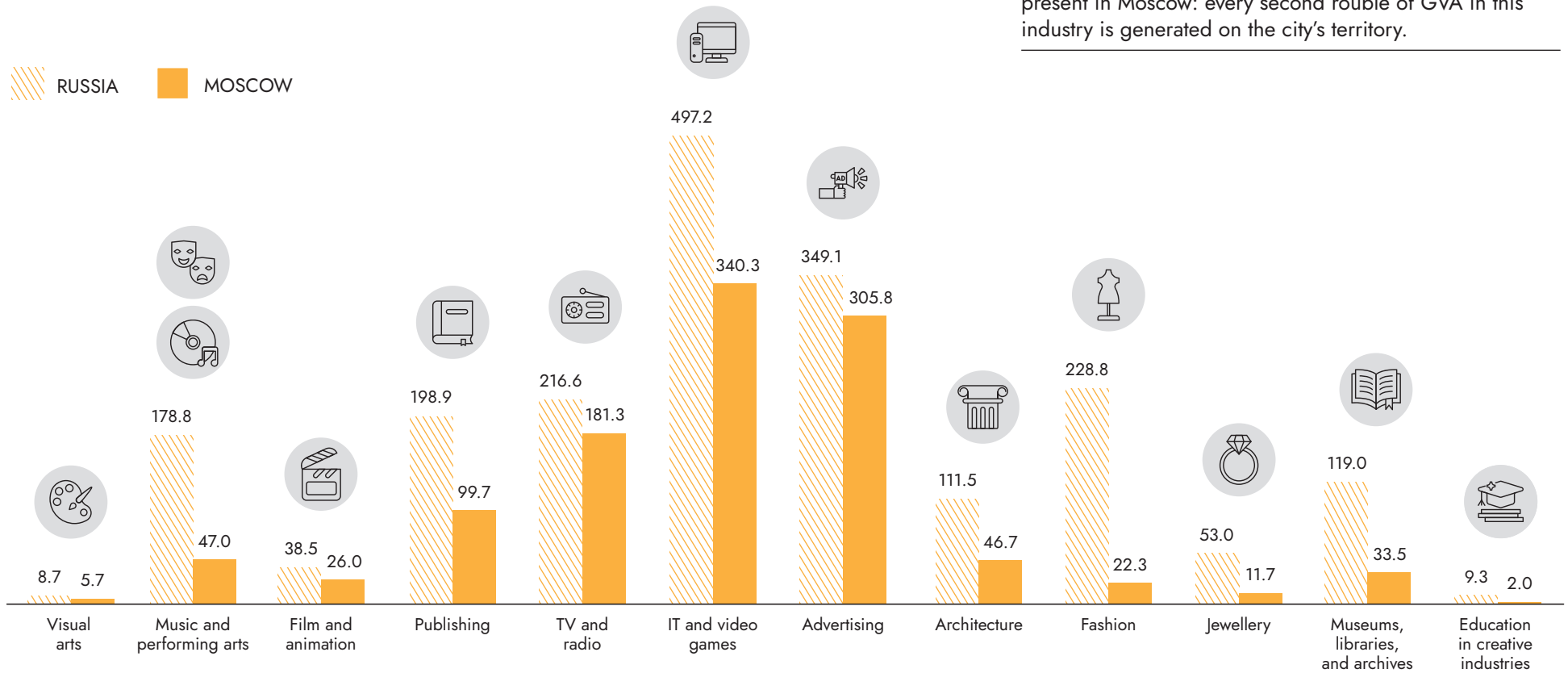
**2.23%**

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.

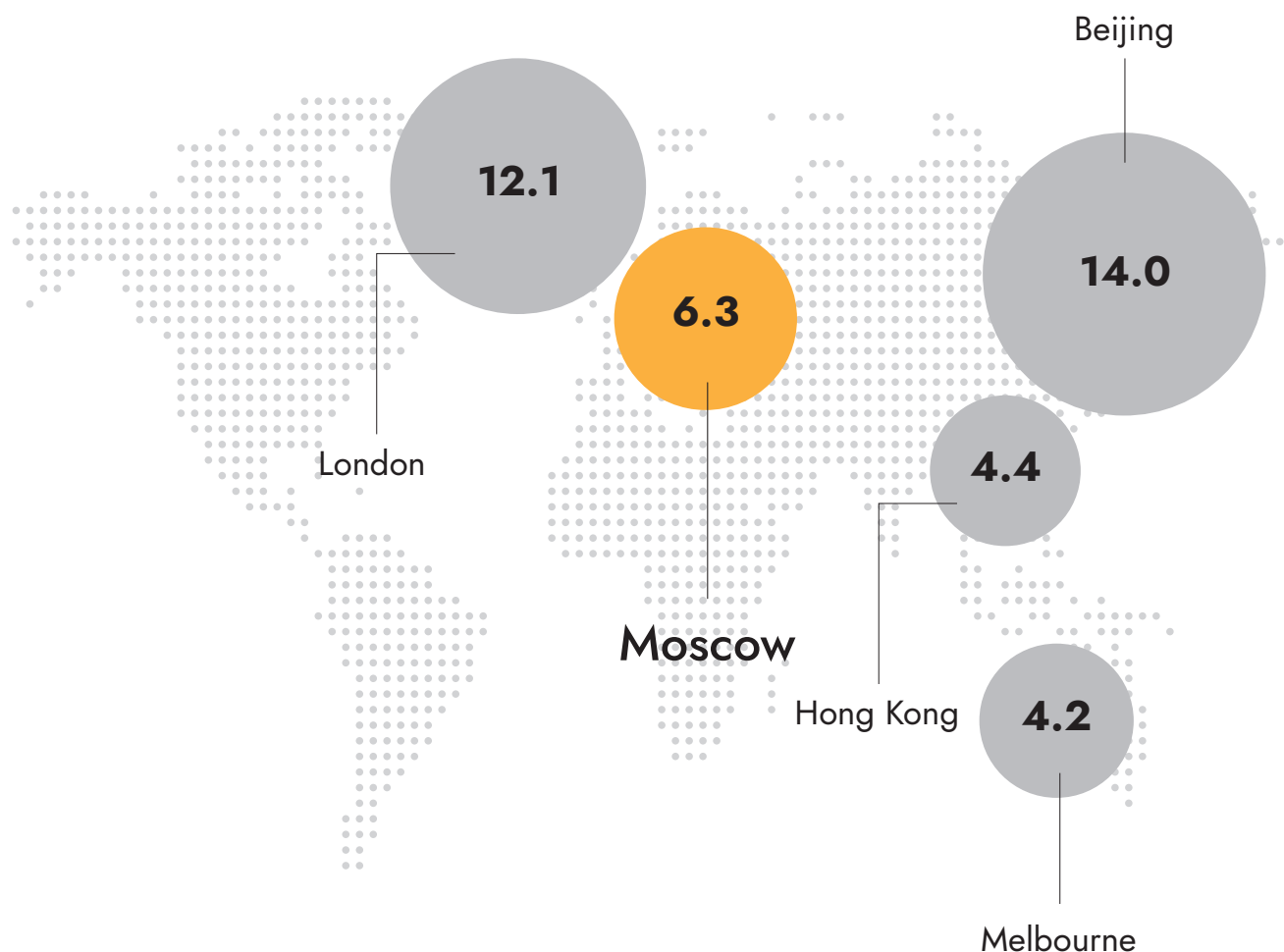


Source: HSE estimates based on the creative industries classification and Rosstat data on enterprises' turnover (form no. P-1 'Information on the Production and Shipment of Goods and Services'), as well as Russia's disaggregated GDP and GRP of Moscow in accordance with OKVED2 for 2018.

## CREATIVE INDUSTRIES' SHARE IN THE GROSS CITY PRODUCT: 2018<sup>1</sup>

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.

<sup>1</sup> Or nearest years for which data are available.