

## West REP – Submission for Creative Economy (CE) support to National Economic Plan (2020)

**Potential** World-wide the Creative economy is growing faster than most and is an essential component of a modern knowledge economy. UNCTAD<sup>1</sup> have stated that the global market for creative goods has more than doubled from 2002 to 2015 to \$509 Bn, and despite the financial crisis, trade in Creative goods had an average growth rate exceeding 7%. Similarly, global trade in Creative services has grown to 18.9% of all traded services by 2015

The potential in the Galway, Mayo, Roscommon (GMR), region is equally evident as according to research<sup>2</sup> from 2020 commissioned by the WDC the total value of the CE in the GMR region totalled almost half a billion euros in value and employed over 7000 people, see below *Fig. 1*. A strong and growing indigenous sector also supporting FDI through quality of life enhancement.

*Fig. 1 Summary of GMR creative economy 2020.*



**Challenge** The WDC, on behalf of the West REP working group has engaged expertise to review the current needs of the GMR CE sector to grow the sector. The initial feedback from the sector is that the current Covid shock has induced a situation whereby stabilisation rather than growth is the current priority. The initial assessment of the Covid 19 effects on the CE sector is disproportionately higher than that on the general economy, this is even more the case given the regional location which is peripheral in the national sense. Best forecasts estimate that the national decline in CE sector output may be as high as 25%, and in the GMR region this could be estimated as high as 33%. The factors that drive this in the GMR CE sector are the preponderance of exposure to the factors such as the tourism sector, population rates (relative) and general peripherality.

<sup>1</sup>United nations conference on trade and development – *Creative Economy Outlook, Trends in international trade in creative industries (2019)*

<sup>2</sup> Collins NUIG 2020 *GMR Creative economy analysis*

## Support Requirements

In response to this the West region *Regional Enterprise Plan* CE working group is engaged in a process to survey several hundred creative economy SME's to identify the clear needs and prioritise them, for stabilising the sector to resume growth in 2021/22. Awaiting the results of this , the below are a series of current priorities based on active or emerging work by the partners to stabilise and grow the sector:

- 1) **Targeted Finance support to CE SME's** – To achieve fast stabilisation of the sector in preparation for growth and development of new opportunities there is a need to augment current general and specific access to finance instruments for the sector e.g.
  - a. **Microloans for the CE sector** to be made available to help sustain businesses and develop new products. Up to €25,000 for creative businesses based on the model trialled in the region by the WDC. Considerations such a pay pauses and mentoring could be included to assist applicants in taking the commitment to invest in their business's growth and adaption to Covid impacted marketplaces.
  - b. **Support for Regional Film /AV sector** The GMR Film sector has shown significant growth in recent years, bringing in millions of euros in direct and indirect revenues. Possible actions to support this include
    - i. **Section 481 Regional film development** – Maintain the 5% uplift through 2021 and beyond
    - ii. **WRAP Fund** – Build on the unprecedented success of the regional film fund ( [www.wrapfund.ie](http://www.wrapfund.ie) ), by increasing its support levels for production and development activity to sustain and maintain regional film development
    - iii. **Film infrastructure** – assess fully the potential of supporting the regional AV sector through establishing significant infrastructure in the GMR region complimentary to the Limerick and Wicklow film assets. Thus, leveraging the GMR regions acknowledged competence in this sector e.g. Assess available space for appropriate use to drive FDI and indigenous growth.
    - iv. **Animation & Games Sector** – Targeted support through funding and entrepreneurial initiatives to enhance the growing animation and games sector making the GMR a centre of excellence in Ireland.
- 2) **Integrated Innovation** – Integrate the CE sector with regional strengths to optimise innovation and help ensure more resilient creative SME's.
  - a. Support **Integration between CE SME'S and complimentary sectors** such as tourism, ICT education e.g. support innovative product development such as literary tourism, whereby Digital and service companies co-develop new products for domestic and international clients. One such example is the Spot-Lit literary tourism initiative which is working with creative SME's to develop literary tourism offerings which now are adapting to Covid conditions via digital experiences and online performance models ([www.spot-lit.eu](http://www.spot-lit.eu))

- b. **Integration with dispersed enterprise Hubs model** – allowing for localised and Covid appropriate support in all the GMR region. Provide support to link the regions enterprise centres with the CE sector, initially by undertaking an **audit of CE sector needs from enterprise space** and then by incorporating these needs in a co-location with enterprise hubs in the region. These could include:
  - i. Bespoke mentoring solutions – Digitally offered by Hubs
  - ii. Potentially **3-D printing** or similar prototyping assets to facilitate prototyping and/or production to CE
  - iii. For digital hubs – **translational assets** such as green screen and LED facilities and editing studios to enable CE and other SME's develop products.

- 3) Entrepreneurial Assets** – To support the ability of emerging CE entrepreneurs to produce in the region and sell globally, support should be given to developing and sustaining creative economy accelerator concepts which enable graduates and new entrants, as well as returnees, to grow creative businesses in the GMR region . e.g.
- a. Build on the Galway CREWS campus model with creative economy accelerators in the rest of the region (<https://www.gmit.ie/news/new-creative-enterprise-hub-be-constructed-gmit-cluain-mhuire-campus> )
  - b. Develop **Creative economy areas of scale** in appropriate locations. These would be flagship areas combining creative economy assets and facilities and be global in outlook. Facilities could include co-working spaces, sound and editing studios, design suites, performance spaces, retail, and accommodation potential. Access to finance and mentoring instruments could be linked to enable scaling where possible.
  - c. Establish dedicated locations for CE SME's to relocate businesses from abroad back to the GMR Region. **A creative business relocation package** which combines financial, mentoring and establishment facilities to allow these businesses re-establish their business in the region and operate in a Covid compliant manner (Virtually and via low use C-19 facilities)

# Appendix 1- Western Development Commission and the Creative Economy in the West.

## The Creative Economy

The WDC has championed the growth of the Creative economy (CE), in the West of Ireland region since the mid noughties, in part because of the inherent strength of the creative assets unique to the region , but also because for innovators, entrepreneurs and visitors alike , a vibrant Creative economy immeasurably adds to the value and opportunities of life in our region.

World-wide the Creative economy is growing stronger than nearly any other and is an essential component of a modern knowledge economy. UNCTAD<sup>3</sup> have stated that the global market for creative goods has more than doubled from 2002 to 2015 to \$509 Bn, and despite the financial crisis, trade in Creative goods had an average growth rate exceeding 7%. Similarly, global trade in Creative services has grown to 18.9% of all traded services by 2015.

## What is the ‘creative sector’?

The creative sector is broadly defined as ‘Occupations and industries centred on creativity, for the production and distribution of original goods and services. It includes businesses such as architecture, designers, publishers, and software developers. In total, 12 sub-segments make up the creative sector. In our region we see its composition in broadly three areas: Craft, Culture and Creative.

Fig. 1– Summary outline of Creative economy economic contribution in the region 2017



<sup>3</sup>United nations conference on trade and development – *Creative Economy Outlook, Trends in international trade in creative industries (2019)*



## The Future

To date the Regions creative economy has grown significantly and the WDC is proud to play a part in the efforts to support this. We have worked with regional and national partners (e.g. NUIG, Design and Craft council, IFB, TG4, ÚnaG, The Arts council, Creative Ireland etc), to establish an unparalleled ability to identify and deliver growth to the region's creative economy. Under our most recent strategy<sup>10</sup>, we are committed to continuing to deliver on this agenda of leadership for our Creative economy. Through collaborating strengths such as Creativity, Culture, and tourism we intend to identify new products, and through innovation and sustainable efforts we intend to develop opportunities in emerging areas such as Digital realisation, Design and Smart utilisations.

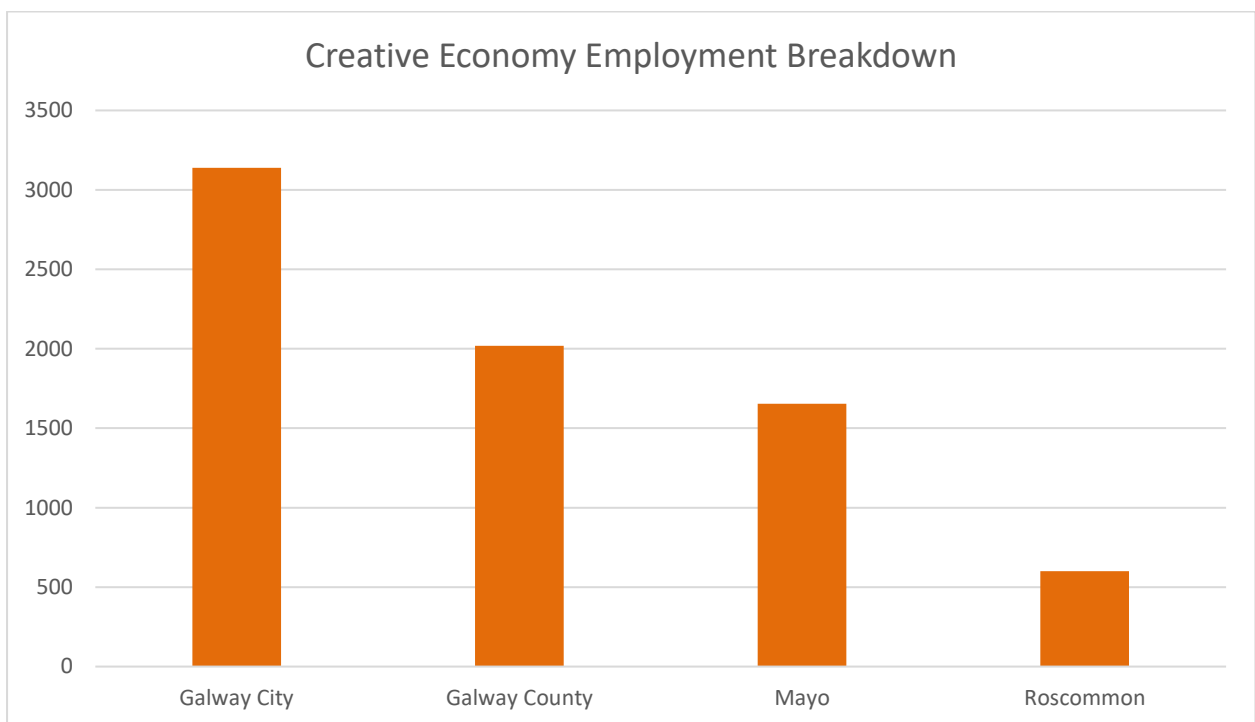
---

<sup>10</sup> <https://www.wdc.ie/about-us/wdc-strategy/>

## Appendix 2- Current Draft GMR CE sector analysis (2020)<sup>11</sup>

### Employment in the Creative Economy in the GMR region.

Making use of the most recent CSO figures, we see that a total of 7,413 people work in the Creative Economy in the region. County Galway dominates, the city and county together accounting for 70% of the creative economy workforce in the region.



7,413 represents 3.9% of the total workforce in the region. Comparing this to the national average of 5.6% we see the region as a whole lagging behind the rest of the country. Galway city exceeds the national average while Mayo at 3.2% and Roscommon at 2.3% find themselves further behind.

### Creative Economy subsectors

Yet, the overall picture obscures some interesting trends at the sectoral level. County Galway has the lowest percentage of employees working in the creative industries sector. Unsurprisingly, Galway city dominates with over 2/3 of its creative economy employees working in the creative subsector (more than half of which are engaged in software and App development work). Roscommon follows the city, over half of its creative economy employees reside in the creative industries sub sector, of

<sup>11</sup> Excerpt from Collins 2020 – WDC Draft input paper to inform CE growth drivers



which more than two thirds are engaged in the software and App development work. Other notable subsectors in the region are architecture and design, in 2018 close to 1,000 people were employed in this subsector.

Of the 2,378 employed in Cultural enterprises in the region, 70% are employed in Galway. These figures are dominated by workers in performing arts (city based) and film and television (county based). In this we see evidence of the film and TV cluster identified in previous work by Collins and Power (2019).

Mayo has the highest percentage of their workforce residing in the craft sector. Traditional craft is the largest subsector here, with over 100 persons employed in 2018. The county also has the largest contingent of employees in print and recorded materials in the region.

Geographically, the trend of higher tech towards the larger urban centres, with a more dispersed pattern for the more traditional sectors, craft and cultural. That said, the highest number of craft employees is found in Galway city. We will speak later about the crossover between the craft sectors and the tourism sector, something that helps explain this stat.



## Appendix 3 West REP Strategic Objective #3



### STRATEGIC OBJECTIVE 3:

Build on the West's unique creative assets to realise increased employment and investment in the sector.

#### Action 1:

Form a project team for the creative economy (business/education/public sector) to develop and implement a plan to achieve enterprise and employment growth in the creative sector.

#### Working Group Members:

Western Development Commission (WDC), Údarás na Gaeltachta, LEOs

#### Timeframe for delivery:

Q4 2020

#### Status:

Work started in 2019 & continuing in 2020

#### What were the milestone(s) for 2019?

- Commencement of plan to achieve sector growth in value and employment
- Identification of key steps/plan to achieve sector growth in value and employment
- Implementation of the plan

#### What progress was made in reaching the milestone(s) in 2019?

- The Regional Creative economy team (via the WDC) have engaged with regional stakeholders including: TG4, WRAP fund, NUIG and Galway 2020 etc.
- From this process the Western Development Commission requested in November 2019 and accepted nominations from stakeholders to the west Regional Advisory Group.
- The creative economy team have engaged with inviting attendees and met with TG4 and Galway 2020 so far.
- It is intended that the composition of the regional advisory group and subsequent terms of reference will be in place before December

#### What will the Workplan for 2020 contain?

The WDC have issued a tender for support services to implement the Regional Advisory Group for the Creative economy in January 2020. This support will:

- Conduct a desktop review to provide an initial summary overview of the creative economy (CE) with an emphasis on the three counties, Galway, Mayo and Roscommon.
- Support the WDC in its task to facilitate the establishment and implementation of a high level, industry led regional advisory group (RAG), for the three county regions (Galway, Mayo, and Roscommon).
- Provide a final written report on the RAG findings to inform future actions in developing the growth of the CE in the three-county region.

**Action 2:**

Develop a programme to increase scale of companies in the Creative Sector. This action will focus on developing the business capability and acumen of small companies and sole traders in the creative sector, with a view to increasing scaling potential and resilience.

**Working Group Members:**

WDC, Údarás na Gaeltachta, LEOs, ETBs

**Timeframe for delivery:**

Q2 2020

**Status:**

Work started in 2019 & continuing in 2020

**What were the milestone(s) for 2019?**

- Programme developed and delivered.
- Growth of creative sector companies.

**What progress was made in reaching the milestone(s) in 2019?**

- The implementation of the West Region Audiovisual and Producers (WRAP) fund has led to multiple investments in new productions in 2018 - 2019 and associated employment.
  - » 10 productions invested in by the WDC /WRAP fund to a total of approx. €445K leveraging €3.5m in total investment in the productions e.g. 'Calm with Horses' released March 2020 <https://www.youtube.com/watch?v=Xbrj1wDI3IM>

Approved for Region under REDF Jan 8<sup>th</sup> 2020, a creative incubation and co-working space. CREW - The Region developed a Creative Enterprise West (CREW) programme through ComhOibriu CLG in partnership with WDC, GMIT and the Galway Film Centre. CREW will target the Digital Creative sector and will build on WDCs research in the Creative Industries sector and government policy through the following five actions:

- Dedicated Digital Creative Hub with links to the 101 Digital Hubs along the AEC
- Bespoke enterprise supports for the digital creative sector
- The creative Network of Practice Community
- International Market Development
- Training and Education

Updated figures for the impact of the WRAP fund in the region (Galway, Mayo and Roscommon):

- 10 investments in the region in question 2018-2019,
- €445,864 invested to date (disbursed)
- €3.5m in total regional investment leveraged by this
- As 'Calm with Horses' was released on 13<sup>th</sup> March 2020, sales and employment figures are pending